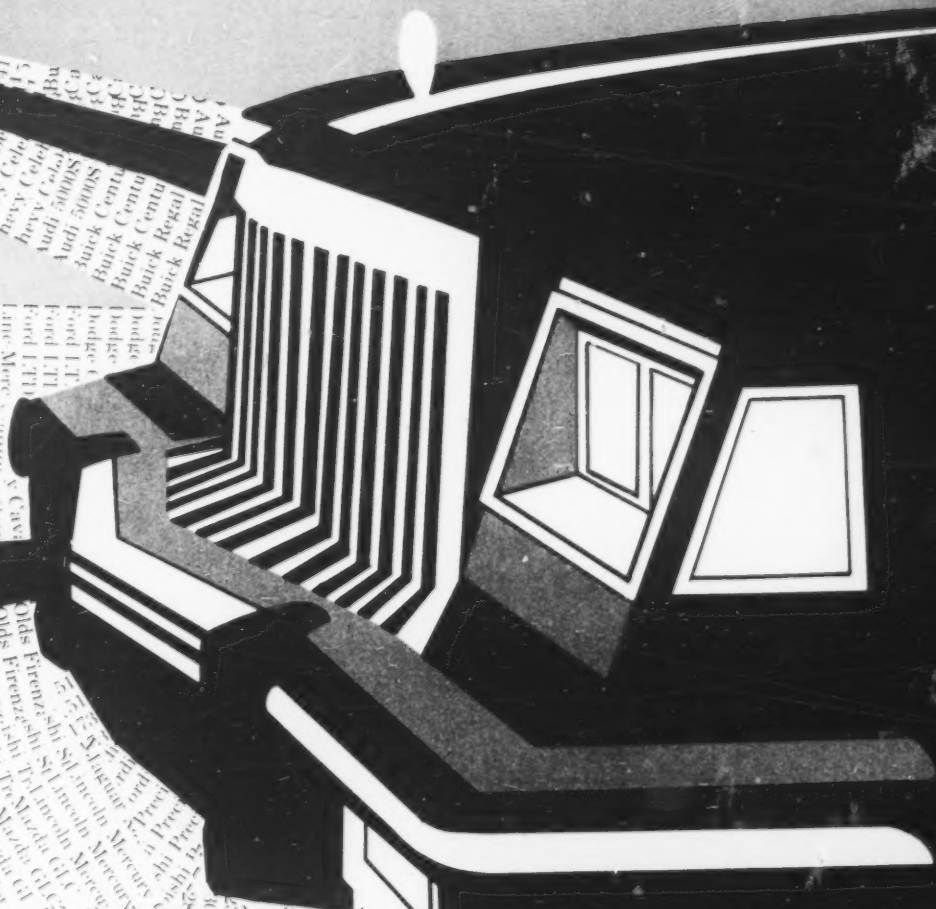


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EPA's 1985 Estimated Gas Mileage Figures

Fuel economy continues to improve for the fleet as a whole, according to the Environmental Protection Agency's 1985 model year mileage figures. Based upon projected 1985 model year sales and fuel economy estimates, the fleet average fuel economy for domestic and foreign passenger cars is expected to be 26.8 mpg. In 1984, the comparable estimate was 26.6 mpg.

This year's estimates have been revised to more accurately reflect fuel economy under both city and highway driving. The two number system for estimating fuel economy was adopted in response to Department of Energy consumer surveys. In these surveys, respondents indicated a preference for individual city and highway estimates, rather

than the composite single average value previously published.

In addition, EPA said many drivers viewed the single estimate as a city value. While that estimate was a reasonable predictor of overall driving, it tended to overstate fuel economy achieved by an average driver in city driving. The following figures should be more in line with actual on-road fuel economy, according to EPA, and include all vehicles sold in the United States except California.

Under the revised method, EPA has mathematically adjusted mileage results obtained in the laboratory. The city estimate has been reduced by 10% and the highway by 22%.

MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.	MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.
Two-Seaters						16	22	Chevy Camaro	L4	305	8
21	27	Alfa R Spdr 2000 Vel	M5	120	4	20	26	Chevy Cavalier Cnv	L3	173	6
23	28	Bertone X1/9	M5	91	4	18	23	Chevy Cavalier Cnv	M4	173	6
16	23	Chevy Corvette	L4	350	8	27	33	Chevy Chevette	L3	98	4
16	22	Chevy Corvette	M4	350	8	28	34	Chevy Chevette	M4	98	4
25	30	Ford EXP	A3	98	4	28	36	Chevy Chevette	M5	98	4
25	35	Ford EXP	M5	98	4	39	46	Chevy Chevette	D-M5	111	4
23	34	Ford EXP	M5	98	4	20	23	Chrysler Laser	A3	135	4
28	31	Honda Civic Coupe	L3	91	4	23	26	Chrysler Laser	A3	135	4
31	38	Honda Civic Coupe	M5	91	4	19	29	Chrysler Laser	M5	135	4
49	54	Honda Civic Coupe HF	M5	91	4	23	33	Chrysler Laser	M5	135	4
17	22	Mazda RX-7	L4	70	2	23	26	Chrysler Lebaron Cnv	A3	135	4
17	23	Mazda RX-7	M5	70	2	20	23	Chrysler Lebaron Cnv	A3	135	4
16	23	Mazda RX-7	M5	80	2	20	23	Chrysler Lebaron Cnv	A3	156	4
16	18	Mercedes Benz 380SL	A4	234	8	28	33	Dodge Charger	M4	97	4
16	19	Nissan 300ZX	A4	181	6	31	40	Dodge Charger	M4	97	4
17	21	Nissan 300ZX	L4	181	6	24	29	Dodge Charger	A3	135	4
17	23	Nissan 300ZX	M5	181	6	21	30	Dodge Charger	M5	135	4
19	25	Nissan 300ZX	M5	181	6	26	37	Dodge Charger	M5	135	4
20	23	Pininfarina Spdr	A3	122	4	19	29	Dodge Charger	M5	135	4
23	28	Pininfarina Spdr	M5	122	4	30	32	Dodge Colt	L3	90	4
25	31	Pontiac Fiero	L3	151	4	37	41	Dodge Colt	M4	90	4
26	32	Subaru XT-DL	M5	109	4	31	38	Dodge Colt	M5	90	4
Mini-Compact Cars						24	26	Dodge Colt	L3	98	4
19	26	Alfa R GTV 2.5	M5	152	6	24	30	Dodge Colt	M5	98	4
47	53	Chevy Sprint	M5	61	3	19	24	Dodge Conquest	L4	156	4
47	53	Pontiac Firefly*	M5	61	3	19	24	Dodge Conquest	M5	156	4
47	53	Suzuki SA310*	M5	61	3	20	23	Dodge Daytona	A3	135	4
23	25	VW Cabriolet	A3	109	4	23	26	Dodge Daytona	A3	135	4
24	29	VW Cabriolet	M5	109	4	19	29	Dodge Daytona	M5	135	4
Sub-Compact Cars						23	34	Dodge Daytona	M5	135	4
18	23	Audi Coupe GT	A3	136	5	20	23	Dodge 600 Cnv	A3	135	4
19	25	Audi Coupe GT	M5	136	5	23	26	Dodge 600 Cnv	A3	135	4
16	22	Audi Quattro	M5	131	5	20	23	Dodge 600 Cnv	A3	156	4
24	27	Audi 4000S	A3	109	4	28	31	Ford Laser*	A3	91	4
24	30	Audi 4000S	M5	109	4	30	31	Ford Laser*	M4	91	4
18	22	Audi 4000 Quattro	M5	136	5	31	38	Ford Laser*	M5	91	4
22	27	BMW 3-Series	L4	108	4	21	25	Ford Mustang	A3	140	4
23	29	BMW 3-Series	M5	108	4	23	29	Ford Mustang	M4	140	4
21	27	BMW 3-Series	L4	164	6	19	22	Ford Mustang	L3	231	6
21	28	BMW 3-Series	M5	164	6	16	24	Ford Mustang	L4	302	8
22	32	Chevy Camaro	L4	151	4	24	30	Honda Accord	L4	112	4
21	28	Chevy Camaro	M4	151	4	27	33	Honda Accord	M5	112	4
22	33	Chevy Camaro	M5	151	4	38	42	Honda Civic	M4	82	4
18	26	Chevy Camaro	L4	173	6	26	28	Honda Civic	L3	91	4
18	27	Chevy Camaro	M5	173	6	30	34	Honda Civic	M5	91	4
16	22	Chevy Camaro	L4	305	8	23	30	Honda Prelude	L4	112	4
15	24	Chevy Camaro	M5	305	8	25	31	Honda Prelude	M5	112	4
						24	25	Isuzu I-Mark	A3	111	4

(Continued on page 14)

EPA's Gas Mileage Figures

(Continued from page 12)

MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.
24	29	Isuzu I-Mark	M5	111	4
22	25	Isuzu Impulse	A4	119	4
22	28	Isuzu Impulse	M5	119	4
13	17	Jaguar XJ-S	A3	326	12
15	19	Jaquar XJ	A3	258	6
21	25	Lincoln Mercury Capri	A3	140	4
23	29	Lincoln Mercury Capri	M4	140	4
19	22	Lincoln Mercury Capri	L3	231	6
16	24	Lincoln Mercury Capri	L4	302	8
28	31	Mazda GLC	A3	91	4
30	31	Mazda GLC	M4	91	4
31	38	Mazda GLC	M5	91	4
30	33	Merc Benz 190	D-A4	134	4
31	39	Merc Benz 190	D-M5	134	4
19	22	Merc Benz 190	A4	140	4
19	27	Merc Benz 190	M5	140	4
23	30	Mitsubishi Cordia	M5	110	4
24	26	Mitsubishi Cordia	L3	122	4
25	32	Mitsubishi Cordia	M5	122	4
30	32	Mitsubishi Mirage	L3	90	4
37	41	Mitsubishi Mirage	M4	90	4
31	38	Mitsubishi Mirage	M5	90	4
24	26	Mitsubishi Mirage	L3	98	4
24	30	Mitsubishi Mirage	M5	98	4
19	24	Mitsubishi Starion	L4	156	4
19	24	Mitsubishi Starion	M5	156	4
23	30	Mitsubishi Tredia	M5	110	4
24	26	Mitsubishi Tredia	L3	122	4
25	32	Mitsubishi Tredia	M5	122	4
26	30	Nissan Pulsar/Pulsar-NX	L3	98	4
31	37	Nissan Pulsar/Pulsar-NX	M5	98	4
26	30	Nissan Sentra	L3	98	4
31	37	Nissan Sentra	M5	98	4
45	50	Nissan Sentra	D-M4	103	4
17	21	Nissan 300 ZX 2+2	L4	181	6
19	25	Nissan 300 ZX 2+2	M5	181	6
30	32	Plymouth Colt	L3	90	4
37	41	Plymouth Colt	M4	90	4
31	38	Plymouth Colt	M5	90	4
24	26	Plymouth Colt	L3	98	4
24	30	Plymouth Colt	M5	98	4
19	24	Plymouth Conquest	L4	156	4
19	24	Plymouth Conquest	M5	156	4
28	33	Plymouth Turismo	M4	97	4
31	40	Plymouth Turismo	M4	97	4
24	29	Plymouth Turismo	A3	135	4
21	30	Plymouth Turismo	M5	135	4
26	37	Plymouth Turismo	M5	135	4
22	32	Pontiac Firebird	L4	151	4
22	28	Pontiac Firebird	M4	151	4
24	34	Pontiac Firebird	M5	151	4
18	26	Pontiac Firebird	L4	173	6
18	27	Pontiac Firebird	M5	173	6
16	22	Pontiac Firebird	L4	305	8
15	24	Pontiac Firebird	M5	305	8
16	22	Pontiac Firebird	L4	305	8
23	29	Pontiac Sunbird Conv	L3	110	4
26	35	Pontiac Sunbird Conv	M5	110	4
27	33	Pontiac 1000	L3	98	4
28	34	Pontiac 1000	M4	98	4
28	36	Pontiac 1000	M5	98	4
39	46	Pontiac 1000	D-M5	111	4
23	31	Renault Fuego	M5	95	4
20	24	Renault Fuego	A3	132	4
23	31	Renault Fuego	M5	132	4
8	11	Rolls-Royce Corniche	A3	412	8
31	36	Subaru Hatchback	M4	97	4
23	25	Subaru Hatchback	L3	109	4
26	31	Subaru Hatchback	M5	109	4
23	26	Subaru XT	L3	109	4

MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.
23	25	Subaru XT	L3	109	4
25	30	Subaru XT	M5	109	4
25	32	Subaru XT	M5	109	4
23	27	Toyota Celica	A4	144	4
24	30	Toyota Celica	M5	144	4
19	24	Toyota Celica Supra	L4	168	6
20	24	Toyota Celica Supra	M5	168	6
27	34	Toyota Corolla Sport	L4	97	4
29	34	Toyota Corolla Sport	M5	97	4
26	29	Toyota Corolla Sport	M5	97	4
30	32	Toyota Tercel	A3	89	4
35	39	Toyota Tercel	M4	89	4
31	38	Toyota Tercel	M5	89	4
23	25	Volkswagen Scirocco	A3	109	4
24	29	Volkswagen Scirocco	M5	109	4

*Available in Puerto Rico only.

Compact Cars

20	26	BMW 5-Series	L4	164	6
20	25	BMW 5-Series	M5	164	6
16	24	Buick Riviera Cnv	L4	231	6
17	22	Buick Riviera Cnv	L4	307	8
24	31	Buick Skyhawk	L3	110	4
26	35	Buick Skyhawk	M5	110	4
23	32	Buick Skylark	L3	151	4
24	34	Buick Skylark	M4	151	4
20	27	Buick Skylark	L3	173	6
19	26	Buick Skylark	M4	173	6
20	26	Buick Skylark	L3	173	6
18	23	Buick Skylark	M4	173	6
24	32	Buick Somerset Regal	L3	151	4
20	26	Buick Somerset Regal	L3	181	6
20	26	Cadillac Cimarron	L3	173	6
18	23	Cadillac Cimarron	M4	173	6
16	22	Cadillac Eldorado Cnv	L4	249	8
18	23	Chevy Cavalier	M4	173	6
28	33	Dodge Omni	M4	97	4
31	40	Dodge Omni	M4	97	4
24	28	Dodge Omni	A3	135	4
21	30	Dodge Omni	M5	135	4
26	37	Dodge Omni	M5	135	4
19	29	Dodge Omni	M5	135	4
25	30	Ford Escort	A3	98	4
34	44	Ford Escort	M4	98	4
25	35	Ford Escort	M5	98	4
24	29	Ford Escort	A3	98	4
23	34	Ford Escort	M5	98	4
25	33	Ford Escort	M5	98	4
43	52	Ford Escort	D-M5	122	4
25	29	Ford Tempo	A3	140	4
25	34	Ford Tempo	M5	140	4
18	21	Thunderbird	A3	140	4
19	22	Thunderbird	L3	231	6
16	24	Thunderbird	L4	302	8
18	21	Merc Cougar	A3	140	4
19	22	Merc Cougar	L3	231	6
16	24	Merc Cougar	L4	302	8
25	30	Linc-Merc Lynx	A3	98	4
34	44	Linc-Merc Lynx	M4	98	4
25	35	Linc-Merc Lynx	M5	98	4
43	52	Linc-Merc Lynx	D-M5	122	4
24	28	Linc-Merc Topaz	A3	140	4
25	34	Linc-Merc Topaz	M5	140	4
24	28	Mazda 626	A3	122	4
26	32	Mazda 626	M5	122	4
36	42	Mazda 626	D-M5	122	4
22	25	Mer Benz 300D/300CD	A4	183	5
22	25	Mer Benz 300SD	A4	183	5
21	22	Mer Benz 300SD	A4	183	5
16	18	Mer Benz 380SE	A4	234	8
14	16	Mer Benz 500SEC	A4	303	8
19	24	Merkur XR4Ti	M5	140	4

(Continued on page 16)

EPA's Gas Mileage Figures

(Continued from page 14)

MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.
21	26	Mitsubishi Galant	L4	143	4
17	22	Nissan Maxima	L4	181	6
19	25	Nissan Maxima	M5	181	6
23	26	Nissan Stanza	L3	120	4
27	34	Nissan Stanza	M5	120	4
24	32	Olds Calais	L3	151	4
20	26	Olds Calais	L3	181	6
18	23	Olds Firenza	M4	173	6
20	20	Peugeot 505	A3	120	4
19	24	Peugeot 505	M5	120	4
18	24	Peugeot 505	M5	131	4
25	25	Peugeot 505	D-A3	152	4
28	33	Peugeot 505	D-M5	152	4
28	33	Plymouth Horizon	M4	97	4
31	40	Plymouth Horizon	M4	97	4
24	28	Plymouth Horizon	A3	135	4
26	37	Plymouth Horizon	M5	135	4
24	32	Pontiac Grand AM	L3	151	4
20	26	Pontiac Grand AM	L3	181	6
28	40	Pontiac Sunbird	M5	110	4
25	28	Renault Alliance/Encore	A3	85	4
31	35	Renault Alliance/Encore	M4	85	4
34	40	Renault Alliance/Encore	M4	85	4
31	38	Renault Alliance/Encore	M5	85	4
22	26	Renault Alliance/Encore	A3	105	4
29	36	Renault Alliance/Encore	M5	105	4
8	11	Rolls Royce Camargue	A3	412	8
18	21	Saab 900 Turbo	A3	121	4
18	23	Saab 900	A3	121	4
19	25	Saab 900	M5	121	4
21	28	Saab 900	M5	121	4
25	28	Subaru Sedan	L3	109	4
32	37	Subaru Sedan	M4	109	4
28	33	Subaru Sedan	M5	109	4
23	26	Subaru Sedan	L3	109	4
26	32	Subaru Sedan	M5	109	4
30	33	Toyota Camry	D-L4	112	4
27	32	Toyota Camry	L4	122	4
29	34	Toyota Camry	M5	122	4
28	32	Toyota Corolla	L3	97	4
28	34	Toyota Corolla	L4	97	4
30	37	Toyota Corolla	M5	97	4
34	36	Toyota Corolla	D-L3	112	4
38	47	Toyota Corolla	D-M5	112	4
19	24	Toyota Cressida	L4	168	6
20	24	Toyota Cressida	M5	168	6
37	46	VW GOLF/GTI	D-M5	97	4
24	27	VW GOLF/GTI	A3	109	4
27	34	VW GOLF/GTI	M5	109	4
26	32	VW GOLF/GTI	M5	109	4
37	46	VW Jetta	D-M5	97	4
37	42	VW Jetta	M5	97	4
23	27	VW Jetta	A3	109	4
24	27	VW Jetta	A3	109	4
26	32	VW Jetta	M5	109	4
27	34	VW Jetta	M5	109	4
33	38	VW Quantum (Turbo)	D-M5	97	4
18	22	VW Quantum	A3	136	5
19	24	VW Quantum	M5	136	5
17	21	Volvo DL/GL/Turbo	A4	130	4
17	22	Volvo DL/GL/Turbo	M4	130	4
23	28	Volvo DL/GL/Turbo	M4	141	4

Mid-Size Cars

17	22	Audi 5000S	A3	131	5
17	22	Audi 5000S	A3	136	5
19	25	Audi 5000S	M5	136	5
23	32	Buick Century	L3	151	4
18	25	Buick Century	L3	181	6

MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.
18	25	Buick Century	L4	181	6
18	25	Buick Century	L4	231	6
26	35	Buick Century	D-L3	263	6
19	24	Buick Regal	L3	231	6
17	24	Buick Regal	L4	231	6
18	23	Buick Regal	L3	262	6
18	27	Buick Regal	L4	262	6
23	31	Buick Regal	D-L3	263	6
16	24	Buick Riviera	L4	231	6
17	22	Buick Riviera	L4	307	8
20	28	Buick Riviera	D-L4	350	8
16	22	Cadillac Eldorado	L4	249	8
19	28	Cadillac Eldorado	D-L4	350	8
16	22	Cadillac Seville	L4	249	8
19	28	Cadillac Seville	D-L4	350	8
23	32	Chevy Celebrity	L3	151	4
24	31	Chevy Celebrity	M4	151	4
20	27	Chevy Celebrity	L3	173	6
19	27	Chevy Celebrity	L4	173	6
20	26	Chevy Celebrity	L3	173	6
19	28	Chevy Celebrity	L4	173	6
26	35	Chevy Celebrity	D-L3	263	6
23	32	Chevy Citation II	L3	151	4
24	34	Chevy Citation II	M4	151	4
20	27	Chevy Citation II	L3	173	6
19	26	Chevy Citation II	M4	173	6
20	26	Chevy Citation II	L3	173	6
18	23	Chevy Citation II	M4	173	6
18	23	Chevy Monte Carlo	L3	262	6
18	27	Chevy Monte Carlo	L4	262	6
16	22	Chevy Monte Carlo	L3	305	8
20	23	Chry Exec Sedan/Limo	A3	156	4
20	23	Chry Lebaron	A3	135	4
23	26	Chry Lebaron	A3	135	4
20	23	Chry Lebaron	A3	156	4
23	26	Chry Lebaron GTS	A3	135	4
20	23	Chry Lebaron GTS	A3	135	4
19	23	Chry Lebaron GTS	M5	135	4
23	33	Chry Lebaron GTS	M5	135	4
20	23	Chry New Yorker	A3	135	4
20	23	Chry New Yorker	A3	156	4
16	22	Chry Newport 5th Ave.	L3	318	8
24	29	Dodge Aries	A3	135	4
26	33	Dodge Aries	M4	135	4
25	33	Dodge Aries	M5	135	4
23	26	Dodge Aries	A3	135	4
20	24	Dodge Aries	A3	156	4
16	22	Dodge Diplomat	L3	318	8
23	26	Dodge Lancer	A3	135	4
20	23	Dodge Lancer	A3	135	4
19	29	Dodge Lancer	M5	135	4
23	34	Dodge Lancer	M5	135	4
23	26	Dodge 600	A3	135	4
20	23	Dodge 600	A3	135	4
20	23	Dodge 600	A3	156	4
21	25	Ford LTD	A3	140	4
19	22	Ford LTD	L3	231	6
16	24	Ford LTD	L4	302	8
23	29	Linc-Merc Continental	L4	149	6
16	23	Linc-Merc Continental	L4	302	8
23	29	Linc-Merc Mark VII	L4	149	6
16	23	Linc-Merc Mark VII	L4	302	8
21	25	Linc-Merc Marquis	A3	140	4
19	22	Linc-Merc Marquis	L3	231	6
16	24	Linc-Merc Marquis	L4	302	8
14	16	Mer Benz 500SEL	A4	303	8
23	32	Olds Cutlass Ciera	L3	151	4
18	25	Olds Cutlass Ciera	L3	181	6
18	25	Olds Cutlass Ciera	L4	231	6
26	35	Olds Cutlass Ciera	D-L3	263	6
19	24	Olds Cutlass Supreme	L3	231	6
23	31	Olds Cutlass Supreme	D-L3	263	6
17	22	Olds Cutlass Supreme	L3	307	8
17	24	Olds Cutlass Supreme	L4	307	8
21	29	Olds Cutlass Supreme	D-L3	350	8

MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.
17	22	Olds Toronado	L4	307	8
20	28	Olds Toronado	D-L4	350	8
20	23	Plymouth Caravelle	A3	135	4
23	26	Plymouth Caravelle	A3	135	4
20	23	Plymouth Caravelle	A3	156	4
16	22	Plymouth Gran Fury	L3	318	8
24	29	Plymouth Reliant	A3	135	4
26	33	Plymouth Reliant	M4	135	4
25	33	Plymouth Reliant	M5	135	4
23	26	Plymouth Reliant	A3	135	4
20	24	Plymouth Reliant	A3	156	4
19	24	Pontiac Bonneville	L3	231	6
16	22	Pontiac Bonneville	L3	305	8
16	22	Pontiac Bonneville	L4	305	8
19	24	Pontiac Grand Prix	L3	231	6
16	22	Pontiac Grand Prix	L3	305	8
17	24	Pontiac Grand Prix	L4	305	8
23	32	Pontiac 6000	L3	151	4
20	27	Pontiac 6000	L3	173	6
19	27	Pontiac 6000	L4	173	6
19	26	Pontiac 6000	L3	173	6
19	28	Pontiac 6000	L4	173	6
26	35	Pontiac 6000	D-L3	263	6
9	10	Rolls Sil Spirit	A3	412	8
19	22	Volvo 740/760	A4	141	4
22	25	Volvo 740/760	L4	141	4
23	28	Volvo 740/760	M4	141	4
19	25	Volvo 740/760	M4	141	4
18	23	Volvo 740/760	A4	174	6

Large Cars

18	25	Buick Electra	L4	181	6
19	26	Buick Electra	L4	231	6
22	32	Buick Electra	D-L4	263	6
17	21	Buick LeSabre	L3	231	6
17	24	Buick LeSabre	L4	307	8
20	28	Buick LeSabre	D-L4	350	8
16	22	Cad. Fltwd Brougham	L4	249	8
20	28	Cad. Fltwd Brougham	D-L4	350	8
17	24	Cad. DeVille-Fltwd	L4	249	8
22	32	Cad. De Ville-Fltwd	D-L4	263	6
16	22	Cad. Limousine	L4	249	8
18	24	Chevy Impala/Caprice	L3	262	6
18	24	Chevy Impala/Caprice	L4	262	6
17	24	Chevy Impala/Caprice	L4	305	8
21	29	Chevy Impala/Caprice	D-L3	350	8
21	30	Chevy Impala/Caprice	D-L4	350	8
16	23	Ford LTD Cr. Vic.	L4	302	8
16	23	Linc-Merc Gr Marquis	L4	302	8
16	23	Linc-Mercury Town Car	L4	302	8
17	21	Olds Delta 88	L3	231	6
17	24	Olds Delta 88	L4	307	8
21	29	Olds Delta 88	D-L3	350	8
21	30	Olds Delta 88	D-L4	350	8
18	25	Olds Ninety-Eight	L4	181	6
19	26	Olds Ninety-Eight	L4	231	6
22	32	Olds Ninety-Eight	D-L4	263	6
18	24	Pontiac Parisienne	L3	262	6
18	27	Pontiac Parisienne	L4	262	6
17	24	Pontiac Parisienne	L4	305	8
21	29	Pontiac Parisienne	D-L3	350	8
21	30	Pontiac Parisienne	D-L4	350	8

Small Station Wagons

24	31	Buick Skyhawk Wagon	L3	110	4
26	35	Buick Skyhawk Wagon	M5	110	4
18	23	Chevy Cavalier Wagon	M4	173	6
23	25	Dodge Colt Vista	L3	122	4
24	30	Dodge Colt Vista	M5	122	4
25	30	Ford Escort Wagon	A3	98	4
25	35	Ford Escort Wagon	M5	98	4
24	29	Ford Escort Wagon	A3	98	4
25	33	Ford Escort Wagon	M5	98	4
26	28	Honda Civic Wagon	L3	91	4
30	34	Honda Civic Wagon	M5	91	4

MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.
25	30	Linc-Merc Lynx Wagon	A3	98	4
25	35	Linc-Merc Lynx Wagon	M5	98	4
22	23	Mazda GLC Wagon	A3	91	4
25	29	Mazda GLC Wagon	M4	91	4
25	30	Mazda GLC Wagon	M5	91	4
23	25	Mitsubishi Space Wagon*	L3	122	4
17	22	Nissan Maxima Wagon	L4	181	6
26	30	Nissan Sentra Wagon	L3	98	4
31	37	Nissan Sentra Wagon	M5	98	4
18	23	Olds Firenza Cruiser	M4	173	6
23	25	Plymouth Colt Vista	L3	122	4
24	30	Plymouth Colt Vista	M5	122	4
24	31	Pontiac Sunbird Wagon	L3	110	4
26	35	Pontiac Sunbird Wagon	M5	110	4
20	24	Renault 181 Wagon 2.2	A3	132	4
23	31	Renault 181 Wagon 2.2	M5	132	4
24	28	Subaru Wagon	L3	109	4
28	32	Subaru Wagon	M5	109	4
23	26	Subaru Wagon	L3	109	4
25	31	Subaru Wagon	M5	109	4
29	31	Toyota Tercel Wgn 2WD	A3	89	4
31	37	Toyota Tercel Wgn 2WD	M5	89	4
24	25	Toyota Tercel Wgn 4WD	A3	89	4
27	32	Toyota Tercel Wgn 4WD	M5	89	4
33	38	VW Quantum Wagon	M5	97	4
22	25	VW Quantum Wagon	A3	109	4
25	31	VW Quantum Wagon	M5	109	4

* Available in Puerto Rico only.

Mid-Size Station Wagons

17	22	Audi 5000S Wagon	A3	136	5
19	25	Audi 5000S Wagon	M5	136	5
17	23	Buick Century Wgn.	L3	181	6
18	25	Buick Century Wgn.	L4	181	6
18	26	Buick Century Wgn.	L4	231	6
26	35	Buick Century Wgn.	D-L3	263	6
23	32	Chevy Celebrity Wgn.	L3	151	4
24	31	Chevy Celebrity Wgn.	M4	151	4
18	24	Chevy Celebrity Wgn.	L3	173	6
18	25	Chevy Celebrity Wgn.	L4	173	6
19	25	Chevy Celebrity Wgn.	L3	173	6
19	27	Chevy Celebrity Wgn.	L4	173	6
26	35	Chevy Celebrity Wgn.	D-L3	263	6
20	23	Chry Town & Country Wgn.	A3	135	4
20	23	Chry Town & Country Wgn.	A3	156	4
21	26	Dodge Aries Wgn.	A3	135	4
26	33	Dodge Aries Wgn.	M4	135	4
25	33	Dodge Aries Wgn.	M5	135	4
23	26	Dodge Aries Wgn.	A3	135	4
20	23	Dodge Aries Wgn.	A3	156	4
19	22	Ford LTD Wgn.	L3	231	6
19	22	Linc Merc Marq. Wgn.	L3	231	6
22	25	Mer-Benz 300TD	A4	183	5
21	22	Mer-Benz 300TD	A4	183	5
17	23	Olds Cutl Cruis Wgn.	L3	181	6
18	26	Olds Cutl Cruis Wgn.	L4	231	6
26	35	Olds Cutl Cruis Wgn.	D-L3	263	6
20	20	Peugeot 505 Wgn.	A3	120	4
19	24	Peugeot 505 Wgn.	M5	120	4
25	25	Peugeot 505 Wgn.	D-A3	141	4
21	26	Plymouth Reliant Wgn.	A3	135	4
26	33	Plymouth Reliant Wgn.	M4	135	4
25	33	Plymouth Reliant Wgn.	M5	135	4
23	26	Plymouth Reliant Wgn.	A3	135	4
20	23	Plymouth Reliant Wgn.	A3	156	4
18	24	Pontiac 6000 Wgn.	L3	173	6
18	25	Pontiac 6000 Wgn.	L4	173	6
19	25	Pontiac 6000 Wgn.	L3	173	6
19	27	Pontiac 6000 Wgn.	L4	173	6
26	35	Pontiac 6000 Wgn.	D-L3	263	6
19	24	Toyota Cressida Wgn.	L4	168	6
17	21	Volvo DL/GL Turbo Wgn.	A4	130	4
17	22	Volvo DL/GL Turbo Wgn.	M4	130	4
23	28	Volvo DL/GL Turbo Wgn.	M4	141	4

100 Agencies Attend:

NAFA's Annual Law Enforcement Seminar

Representatives of nearly 100 law enforcement agencies from states, cities, and counties in the United States and Canada gathered in Memphis, Tennessee, last month for the 16th annual seminar/workshop of the National Association of Fleet Administrators, Inc., Law Enforcement Group.

The three day program consisted of presentations by the automobile makers on their 1985 police vehicle specifications and service workshops in which they answered questions about specific problems facing police agencies. Allan J. Spence, director, State Budget Control Board, South Carolina Division of Motor Vehicles; John F. West, purchasing agent/motor pool administrator, Genesee County, Michigan, and Thomas P. Vaid, fleet administrator, Cook County (Illinois) Sheriff's Police Department, served as moderators for the workshops.

Agency Workshops by Size

Following the vehicle workshops, there were a series of workshops for the police agencies. Robert Cline, Illinois State Police, chaired the state police/highway patrol workshop. The large city and county department session was led by Michael F. Rosenberger, manager, bureau of fleet management, Portland, Oregon. The medium-sized city and county workshop was chaired by Don Bouchie, superintendent of garages, Charleston, South Carolina, Police Department. The small city group meeting was under the leadership of Jerry Robb, fleet manager, Lincoln (Nebraska) Police Department.

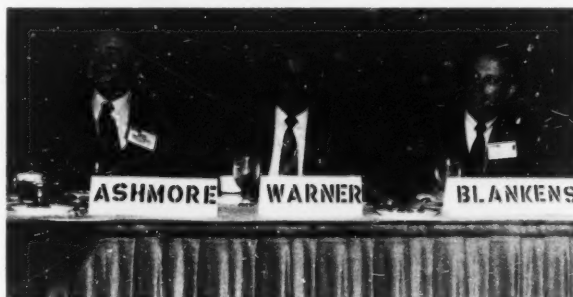
The third segment of the program consisted of a series of presentations on "How to Remember Easily," "Driver Training & Safety," "After Market Fuel Devices — Do They Work?" "The Computerized Vehicle," and a "Maintenance Review."

Billy Burden, president, Billy Burden School of Memory and Attitude, opened the conference, with an electrifying display of memory and learning techniques which, he said, would enable everyone who mastered them to do a better job in handling

his or her management responsibilities and personal life.

Driver Training

Dr. Rod Dobey, associate professor, The Center for Driver Education and Safety, St. Cloud University, St. Cloud, Minnesota, spoke on driver training and safety. Dr. Dobey pointed out that the key to safe driving is an understanding of the basic dynamics of a vehicle and an awareness of both the car and the driver's limitations. The fundamentals, he said, are steering, braking, and acceleration. He reported that the Center had trained 190 members of the Minnesota Highway Patrol



Captain David Ashmore, Memphis Police Department; Deputy Chief Fred Warner, Memphis Police Department; and Major Joe Blankenship, Tennessee Department of Public Safety, open the seminar with the annual breakfast/business meeting.



Jerry Robb,
Lincoln Police Dept.



Dr. Rod Dobey,
Center for Driver
Education and Safety

who had a 26 percent reduction in accidents; a control group of 250 officers who were observed, but not trained, had a three percent reduction. He claimed that "attitude is the father of the action, and a trained employee is an asset, while an untrained employee is a liability." Dr. Dobey pointed out that, in an emergency, a driver can do one of three things — do nothing, do the proper thing, or over-react. It is training that makes it possible for the driver to do the right thing and avoid accidents.

After Market Fuel Devices

Stanley Syria, an engineer with the U.S. Environmental Protection Agency, presented a detailed report on a wide variety of after market fuel devices and released data on the ones that did and did not improve fuel economy. The list, released by Syria, was published in the August 1984 issue of *NAFA Bulletin*.

Passive Restraint Systems

A presentation on passive restraint systems was led by Leonard Lann of the National Highway Traffic Safety Administration, Washington, D.C. He was assisted by David Romeo of Romeo Koyjo, Phoenix, Arizona, manufacturer of a retrofit "air bag" system now being installed by a number of state police agencies. Lann said the passive restraint system was effective in reducing injuries but was of the greatest value only when used in conjunction with the three point belt restraints already installed in all new cars. One of the highlights of the session was a panel discussion with representatives of six state agencies who had installed some of the retrofit systems on test cars. Participating in the panel were:

Donald Bloedow, Wisconsin State Patrol; Thomas Cochran, Arizona Department of Public Safety; Ken Dukes, Mississippi Highway Patrol; Jay Emery, California Highway Patrol; Roger

(Continued on page 20)



Norman Halem, president, Halem Industries, his wife, Beverly, and Stanley Syria, engineer, EPA, discuss after market fuel devices.



Attendees listen to the advantages of using the three-point belt restraint system.



Michael Rosenberger, manager, bureau of fleet management in Portland, Oregon, chairs large city and county department workshop.

State Police Operating Expense Survey

Agency	Fleet Composition							Operating Expense Per Mile			
	Cars in Fleet	Compact	Mid-Size	Large	4 cyl	6 cyl	8 cyl	Average Miles Per Month	Compact	Mid-Size	Large
A	498	—	34	464	19	15	464	1868	—	—	.1156
B	1004	72	26	906	21	77	906	1500	.1118	.223	.266
C	1350	50	16	1284	—	—	1350	2400	.1016	.11	.125
D	375	—	—	375	—	—	375	2500	—	—	.12
E	408	6	—	402	—	—	408	2193	.0844	—	.1016
F	1000	—	20	980	12	8	980	3000	—	—	.1199
G	548	55	—	493	55	—	493	1517	.0822	—	.0962
H	752	24	—	728	24	—	728	1578	.09	—	.15
I	1291	26	208	1057	26	125	1140	—	—	—	—
J	744	—	—	744	—	—	744	2730	—	—	.1270
K	200	—	—	200	—	—	200	1482	—	—	.14
L	164	12	—	152	—	—	164	1800	.11	—	.136
M	232	32	31	169	32	—	200	1467	.09	.14	.17

Law Enforcement Seminar

(Continued from page 19)

Landas, Ohio State Highway Patrol, and Paul Twigg, Maryland State Police.

The Computerized Vehicle

John Wilhelm, vice president, Dart & Kraft Financial Corporation, offered a comprehensive review of the development of the computer to improve vehicle performance in two areas — reduce emissions and provide better fuel economy to meet government standards.

He pointed out that, "The computerized vehicle is an amazing marriage between the electronic wizardry that carried man to the moon and the mechanical evolution of the horseless carriage that has given us our chief source of mobility for over eight decades."

Wilhelm said many more uses for on-board computers were coming, some in the very near future. They would include preventive maintenance reminders and sensors, transmission shift controls, navigation and safety, including automatic braking, and a whole host of convenience factors.

Maintenance Review

The final presentation of the conference was made by Joe Alacchi, NAFA's technical service consultant. He reviewed the operation of NAFA's Maintenance "Hot Line" and the types of problems fleet managers were called on to solve. He urged the fleet managers to have their car operators use the 10 minute walk-around inspection form developed by the Association's Maintenance Committee.

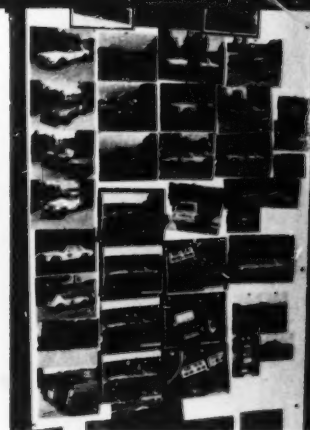
NAFA's Feature Dog Race

For a lighter touch, the group enjoyed an evening at the dog races in West Memphis, Arkansas, where the feature race of the evening was named the "NAFA Handicap" in honor of the Association's Law Enforcement Group.

Managers (far left) and Hostess (far right) of the Southland Greyhound Park join (l-r): Allan Spence, director, South Carolina State Budget Control Board; Helen Bland, fleet manager, Hallmark Cards, and NAFA's First Vice President; John West, Genesee County, John Costello, Ford Motor Co.; Dog's owner; Patrick Sheehan, corporate fleet manager, Baxter Travenol Laboratories, and NAFA President; Robert Berke, NAFA's Executive Director, and I.B. Pickett, Jr., deputy chief, New Mexico State Police and Chairman of the conference, with "Jolly Tight" winner of the 10th race named in honor of NAFA's Law Enforcement Group.



Joe Alacchi stresses the 10-minute walk-around vehicle inspection.



Photos of the police department's marked vehicles.



John West, Genesee County, Michigan, visits with an exhibitor at NAFA's Fleet Fair.

The City of Memphis Police Department and the Tennessee Highway Patrol served as hosts for the annual seminar/workshop. The program was developed and led by the Law Enforcement Group's chairman, Deputy Chief I.B. Pickett of the New Mexico State Police.

The 1985 seminar/workshop will be held in Salt Lake City, Utah, with the Utah Highway Patrol serving as hosts. The 1985 meeting will coincide with the 50th or Golden Anniversary of the founding of the Utah Highway Patrol and the NAFA Law Enforcement Group has been invited to participate in the celebration of the force's founding. The conference will be held during the first week in August 1985. ■



Canadian Fleets Report:

47% of New Car Orders Will Be for Compacts

Part II of NAFA's New Car Acquisition Survey focuses on what Canadian members plan to order for the 1985 model year. It appears that compacts are the most favored size, while cruise control is becoming more and more popular as an option ordered for all units. For an additional look at what the Canadians are doing, refer to page 54 for the result of an informal survey conducted among members of NAFA's Ontario Chapter.

The Canadian segment of NAFA's annual new car acquisition survey consists of 24 fleets operating 5,537 passenger cars (782 company-owned, 4,755 leased). Of the leased cars in these Canadian fleets, 84 percent are finance leased; nine percent use a net lease, and seven percent are under a maintenance lease.

The current composition of these fleets is three percent sub-compacts; 47 percent, compact cars; 43 percent, mid-size cars, and seven percent large cars. During the 1984 model year they acquired 1,847 new vehicles. They plan to acquire 1,831 new cars during the 1985 model year.

Average Fleet — 231 Cars

A composite picture of the participating Canadian fleets would show an average fleet to consist of 231 cars. Seven are sub-compacts; 109 are compacts; 99 are mid-size units, and 16 are large cars.

The new car acquisitions of the Canadian fleets will be sub-compacts, two percent; compacts, 47 percent; mid-size cars, 43 percent, and large cars, eight percent.

Only three percent of the 1985 new car orders will be for bottom-of-the-line models; 56 percent will be for middle-line cars, and 41 percent for top-of-the-line cars. Seventy-two percent of the new car orders will be for four-door sedans; station wagons and two-door sedans will each account for 12 percent of the new car orders. Three-door hatchbacks will get two percent of the new car orders. New

generation vans will be ordered by four fleets, but they will account for only one percent of the new car orders. Five-door hatchbacks and sport models were mentioned, but each type will account for less than one-half of one percent of the new car orders.

Two fleets in the group report they are planning major changes in their acquisition plans for 1985. One fleet is switching back to large cars, while the other is switching from mid-size cars to compacts.

Nine fleets in the Canadian group say they have some imports currently in service — less than 100 units — and three fleets plan to acquire imports during the 1985 model year. Only two fleets plan to acquire any specialty models in the new model year.

The vast majority of Canadian fleets are staying with their current policies in regard to engine use, transmissions, and air conditioning. One fleet is switching to four-cylinder engines; one other fleet is planning to equip its four-cylinder compacts with manual transmissions, while another fleet is moving towards air conditioning (at the present time only two percent of its vehicles are air conditioned, but all its 1985 acquisitions will be equipped with air conditioning).

Cruise Control Popular

The Canadian cars are well equipped, with cruise control becoming more and more popular as an option ordered on all units. For example, of the 11 fleets ordering large cars, eight will install cruise control on all units. Among fleets ordering mid-size cars, eight of 22 fleets will equip all new cars with this option. Of the 18 fleets ordering compacts, seven fleets will equip all vehicles with cruise control.

In general, the Canadian fleets are following the same basic pattern in engine use. The majority of those who use sub-compacts and compacts equip them with four-cylinder engines; most order their

(Continued on page 36)

Summary of Options on All Cars Canadian Fleets

Equipment	Large (11)	Mid-Size (22)	Compact (18)	Sub-Compact (4)
AM/FM Radio	9	12	9	1
Power Disc Brakes	*	22	16	2
Power Steering	*	21	16	2
Automatic Transmission	*	19	16	3
Steel Belted Tires	9	17	14	3
Air Conditioning	10	17	12	3
Tinted Glass	9	15	11	2
Vinyl Roof	4	3	1	—
Tilt Wheel	5	3	3	—
Power Door Locks	6	3	—	—
Power Windows	8	3	1	—
Cruise Control	8	8	7	1

Note: The number in () under the car size category is the number of fleets ordering that type vehicle. The number alongside the item of equipment indicates the number of fleets that order the specific item as standard equipment at no cost to the operator on each vehicle in that class.

Canadian Fleets Report

(Continued from page 32)

mid-size cars with six-cylinder engines, and the large cars are equipped with V-8's. One fleet, however, noted that it prohibited the use of eight-cylinder engines.

Car Assignment

Of the 24 fleets participating in the survey, 19 permit the assigned car operator to choose the make of car desired; 12 allow a choice of model. Three fleets give the operator permission to select the engine; three also permit a choice of transmission. Thirteen fleets give the operator a choice of accessories — at the employee's expense. One fleet limits the value of additional equipment to \$250

worth. Five fleets give the operator no voice in fleet car selection.

Twenty-one of the 24 fleet managers participating in the survey said they are responsible for the acquisition of corporate vehicles assigned to executives. Only two fleet managers say they acquire pool cars, and only two of the 24 say they purchase personally owned cars for executives in their companies.

In rating the factors in determining vehicle selection, the Canadian fleet managers rated "Initial Cost" as the most important. "Economy of Operation" and "Depreciation/Resale Value" were tied for second, with "Serviceability," ranked fourth. "Prestige" and "Fringe Benefit" were fifth and sixth in the NAFA scale, far below the other four factors. ■

Considering Risks

(Continued from page 30)

research agenda, the agency is primarily establishing areas of pursuit. This pursuit will take the form of further data collections and analysis, research, and demonstrations. Only after the subsequent research has been completed can a decision be made on the course of action to be adopted.

Although the agency clearly expects its research to be fruitful, it does not presuppose this outcome, and the results may lead to a cessation of activity or the discovery of a more effective alternative. Thus, it must be remembered that NHTSA's safety priorities are based on the knowledge at hand and that specific courses of action will become clearer as the research development activities progress.

Using this approach, NHTSA has produced a program which has reduced the risk of travel in this country. Although NHTSA's precise contribution cannot be quantified, certainly cars and travel have become safer in the past 15 years, due to the

efforts of everyone involved in traffic safety. However, although the risk of travel is not significantly increasing, the actual number of deaths from motor vehicle accidents is expected to be driven upward by more drivers, more vehicles, and an expanded economy. The challenge for NHTSA, the automotive industry, and all groups associated with traffic safety is to work together to make the nation's safety programs even more effective and to reduce the risk of harm for highway travelers in this country. ■

¹ *Accident Facts*, 1983 edition, National Safety Council, p. 49.

² "An Assessment of the 1982 Traffic Fatality Decrease," James Hedlund, et. al., presented at Transportation Research Board Human Factors Workshop, Washington, D.C., January 15, 1984.

³ "Traffic Safety Trends and Forecast," DOT HS 806 479, October 1983.

⁴ "The Economic Cost to Society of Motor Vehicle Accidents," DOT HS 806 342, January 1983.

⁵ "A Search For Priorities in Crash Protection," A.C. Malliaris, et. al., SAE 820242.

QUESTIONS:

U.S. Oil Supply: How Long Will It Last?

Conflicts in the Persian Gulf: Will It Upset the Oil Market?

Gasoline Prices: What Increases Can We Expect?

ANSWERS:

In this presentation, "World Petroleum and the Outlook for U.S. Motor Fuel Prices," Jacques R. Maroni, environmental research and energy planning director, Ford Motor Company, addresses these important issues and makes some startling predictions.

To introduce a discussion of world oil and to assess the outlook for U.S. motor fuel prices, it must be recognized at the outset that the world has a lot of oil in the ground yet to be produced... but the U.S. is less fortunate.

At the current rate of production, U.S. proven reserves would last 9 years, OPEC reserves 70 years, and the world as a whole 34 years.

It should be made clear, however, that reserves are not a finite supply on the way to depletion. Reserves are a kind of work-in-process inventory, regularly replenished by extensions, additions and new discoveries.

The World Has a Lot of Oil, But Not the U.S.

Billions of Barrels

	1983 Production	Proven Reserves	Years of Proven Oil At Current Production Rate
U.S.	3.1	27	9
OPEC	6.4	448	70
U.S.S.R.	4.5	63	14
Rest of World	5.3	131	25
Total	19.4	669	34

Steadily improving technology, when applied to the unexplored and unrecovered resource base of the world, appears likely to keep crude oil in pro-

duction for another 100 years or longer (even in the United States), although the rate of oil production is likely to decline during the next century, as other less costly fuels replace petroleum.

The principal oil-exporting countries of the world are far from the preoccupation that they may — some day — have no oil to sell. Their main concern, at the moment, is loss of market share. Then years ago, OPEC as a whole had 56% of the world oil market. Last year, OPEC's share was down to 33%.

High oil prices have stimulated competitive oil development and production all around the globe. OPEC, in fact, has lost market share not only to Mexico and England, but also to such less well-known oil producers as Egypt, Norway, Brazil and India. The Soviet Union has increased its production of oil — they are No. 1 — and will soon lead the world in natural gas production as well, creating a further threat to OPEC's fuel oil market in Europe.

In order to quadruple the price of oil from 1973 to 1981, OPEC had to reduce its crude oil output by a third — from 12 billion barrels to 8 billion barrels. Since 1981, the price of oil has declined about 24%, despite a further reduction in OPEC oil production — from 8 billion barrels to 6 billion barrels.

In the last two years, OPEC's annual revenue dropped \$130 billion. In 1983, they are still some 60% better off than 10 years earlier but 43% worse off than 3 years ago. The financial squeeze is pinching some more than others.

The revenue problem is felt most severely in the High Debt countries —

Nigeria, Indonesia and Venezuela — and in countries that support wars — Iran, Iraq and Libya — where only 40% of the oil productive capacity is currently utilized.

In contrast, the Arabian peninsula countries with proven reserves that would last 100 years at the current rate — even if no new oil were ever found — are keenly interested in protecting long-term markets from the competition of cheaper fuels and from conservation measures that tend to be irreversible once undertaken by energy users.

Also showing in the spot market is the influence of changes in the level of oil inventories.

Inventories peaked around 1981 at 5.6 billion barrels. Since that time, weak oil demand, the high cost of money, and fear of an oil price collapse have combined to cause oil users around the world to cut down their exposure. Inventories have dropped to 4.7 billion barrels by 1982 and 4.2 billion barrels by the end of 1983. Inventories now appear to be stable but they are still fluctuating seasonally.

As we have seen, OPEC has lost market share and revenue. Meanwhile, OPEC members have argued over oil production ceilings, national quotas, quality grade differentials, and methods to adjust for inventory changes.

There are yet other areas of OPEC friction: Expansion of LNG export trade, the construction of new methanol plants, new export refineries and the expansion of existing refineries represent four ways that OPEC countries can improve their revenue at the expense of other OPEC members and without direct violation of OPEC rules.

Strong U.S. Dollar

World oil is priced in U.S. dollars and the dollar has been very strong in recent years in relation to European currencies. As a result, while we have enjoyed a 19% reduction in the price of oil in the U.S. from May 1981 to December 1983, there has been an increase of 18% in England, 19% in France and 23% in Italy. The strong dollar has compounded the weakness of oil demand in Europe and elsewhere by making petroleum products more expensive than ever.

Conflicts in Persian Gulf

Conflicts in the Persian Gulf area have always had the potential to upset the oil market, and still do. But, consider that they are unlikely to choke off the world oil flow for long:

\$250 million per day of revenue would stop coming to the Gulf area, if oil shipments were stopped. Iran and Iraq — two major producers — have been at war for three years. Yet both have refrained thus far from taking the mutually-suicidal steps.

OPEC Has Lost Market Share

	OPEC	Percent of World Oil Production Rest of Free World	Communist World	Total
1973	56%	27%	17%	100%
1983	33%	40%	27%	100%

Oil production, of course, could be increased elsewhere, notably in Mexico, Venezuela and Nigeria.

Large oil users have installed fuel-switching capability which could reduce oil demand in an emergency.

Finally, strategic oil reserves could be drawn down, if necessary.

The bottom line seems to be that even Mid-East insurgencies — the most difficult situation to deal with — would produce new rulers who would want to produce and export some oil. It has no value when left in the ground. After all, the Soviets export their own oil and gas to the West. What would they do with Arab oil, if they controlled it?

Weak Oil Demand Has Been Aggravated by Declining Oil Inventories

Year-End	Inventory Levels		Inventory Gain/(Loss) (Million B/D)
	Billion Bbl	Days' Supply	
1981	5.6	115	(1.1)
1982	4.7	102	(2.4)
1983	4.2	90	(1.3)
1984	4.1	87	(0.4)
1985	4.1	86	0

Despite the favorable outlook for oil supply worldwide, the U.S. oil outlook is more sober. Alaska and deepwater offshore can still hold pleasant surprises, but the lower 48 states have few unexplored areas likely to yield big reserves.

As a result, even if U.S. oil demand does not rise — i.e., remains at 15 million B/D — U.S. oil imports are likely to increase and could be about half U.S. consumption by 2000.

It is my opinion that the U.S. may consume 110 billion barrels of oil during the next 20 years but that U.S. reserve additions during that period will not exceed 40 billion barrels.

(Continued on page 40)

Questions and Answers

(Continued from page 39)

Despite U.S. inability to find oil within its borders, the prices of U.S. motor fuels have been declining since 1981. They are expected to remain essentially the same (in constant dollars) during the coming two to four years. Diesel fuel has been cheaper than gasoline, but it may lose its price advantage by 1990.

The peak fuel prices of 1981 (adjusted for inflation) are not likely to be seen again in this decade, except in the event of a war-like oil-buying panic, which appears unlikely.

Gasoline Taxes

The principal uncertainty affecting a forecast of U.S. motor fuel prices is more likely to be taxation than the value of crude oil itself.

U.S. Motor Fuel Prices Unlikely To Rise Sharply... (Unless Taxes Are Increased)

(In Constant 1983 Dollars)

	Unleaded Regular (\$/gal)	Diesel Fuel (\$/gal)
1981	\$1.54	\$1.43
1982	1.41	1.33
1984	1.32	1.25
1986	1.32	1.26
1988	1.33	1.30
1990	1.38	1.38

If and when higher fuel taxes become politically acceptable, they would:

- Revive interest in high mpg cars
- Help reduce oil import vulnerability
- Cut down the Federal Budget Deficit
- Contribute to environmental protection
- Provide revenue for new social programs (e.g., mass transit, etc.)

Public opinion polls, however, suggest that people, given a choice, would choose to ration gasoline rather than tax it, if the country had another fuel emergency.

Middle East Uncertainty

This discussion would not be complete without observations about the Middle East. It is obvious that the wide range of opinion about future oil prices reflects differing perceptions about that region of the world. Political concern about the Middle East situation will continue throughout your lifetime because the region is experiencing a crisis of identity. But if Israel were to disappear tomorrow, the region would still remain convulsed because Arab unity would

become unattainable and arguments with non-Arab populations of the old Persian Empire over the disputed succession to the Prophet would fester into Holy War.

Contrary to sentimental myth, economic development — especially rapid development — is not a social panacea. Such development in itself is frequently the generator of revolution and civil war. Strangely enough, I suspect that Israel may be at the same time a cause, a symptom, and perhaps even a kind of remedy for the identity crisis of the region.

It is perhaps the greatest irony of 20th century material civilization that it is based on hydrocarbon deposits, most of which lie in a small region of the world torn by non-material issues.

Would you believe that there may be under the Middle East region half the world's oil and gas — worth perhaps \$30 trillion — but the revival of Islamic Fundamentalism could be a cause greater than oil?

Here is a short list of the conflicts we could expect in the Middle East if Israel had disappeared — and no longer served to prevent some of them because it is a common enemy. Some of these conflicts will occur in any event.

Fortunately, the number of events that can reduce the oil flow is much smaller than the number of potential conflicts.

Potential "Mid-East" Conflicts*

External Wars	Internal Wars	Revolutions
Iran vs. Iraq	Christians vs. Moslems	Mercenaries
Libya vs. Egypt		
Libya vs. Sudan		
Libya vs. Tunisia	Moslems vs. Kurds	Guest Workers
Syria vs. Jordan		
Saudi Arabia vs. S. Yemen		
Egypt vs. Syria	Iranis vs. Baluchis	Military
Kuwait vs. Iran		
Jordan vs. Iraq	Sunnis vs. Shiites	Dynastic coup
Kuwait vs. Iraq		
Syria vs. Iraq		

* External to Arab-Israeli conflict

- Distance — Beirut is not near the oil.
- Reluctance to kill the goose that lays the golden eggs.
- Inability of untrained forces to deploy the most destructive weapons.
- Finally, sheer incompetence. We should never underestimate the ability of institutions to trip over their own underwear. This human trait has been on display in the region for centuries and can be relied upon to maintain its tradition. ■

Ontario Chapter's New Car Survey

Little Growth in 1985; Levelling-off is Evident

"There will be little growth in the demand for cars following 1984's record year; a 'levelling off' is evident," according to Christopher Hill, corporate fleet administrator, Reichhold Ltd., and chairman of NAFA's Ontario Chapter. Hill recently conducted a new car acquisition survey among the chapter members on what vehicles they plan to order for 1985. Twenty-four fleets responded to the survey which was divided into two groups — sales and service and executive fleets.

"...the survey reveals that imports and specialty cars have low acceptance while orders for station wagons and mini-vans have increased."

The survey also reveals that four-cylinder cars are more popular than sixes in the sales/service group, while the executive group will have a choice of sixes or eights. Both the Ontario Chapter's survey and NAFA's New Car Acquisition Survey, based on its membership, revealed that imports and specialty cars have low acceptance while orders for station wagons and mini-vans have increased.

	SALES/SERVICE CARS			EXECUTIVE CARS		
	Yes	No	Haven't Decided	Yes	No	Haven't Decided
Are you planning to:						
— increase acquisitions	1	—	—	3	—	—
— decrease acquisitions	3	—	—	1	—	—
— about the same	20	—	—	17	—	—
— upsize cars	1	—	—	0	—	—
— downsize cars	3	—	2	1	—	—
— same size cars	18	—	—	15	—	—
— use:						
4 cylinder	18	—	—	4	—	—
6-cylinder	14	—	—	10	—	—
8-cylinder	1	—	—	12	—	—
Diesel	1	—	—	0	—	—
propane	0	—	—	0	—	—
turbo	0	—	—	0	—	—
Minivans:						
— use 1 or 2	6	—	—	0	—	—
— more	6	—	2	0	—	—
— none	10	—	—	16	—	—
Station Wagons:						
— use more	1	—	—	0	—	—
— less	4	—	1	0	—	—
— none	4	—	—	12	—	—
— about the same	14	—	—	5	—	—
Specialty Cars:						
— use more	3	—	—	1	—	—
— less	0	—	—	0	—	—
— none	16	—	—	12	—	—
— about the same	5	—	—	3	—	—
Imports:						
— use more	1	—	—	0	—	—
— less	0	—	1	0	—	—
— none	20	—	—	14	—	—
— about the same	2	—	—	4	—	—
Company Paid Options:						
— offer more	2	—	—	5	—	—
— less	0	—	—	0	—	—
— about the same	22	—	—	14	—	—
Employee Paid Options:						
— offer more	1	—	—	2	—	—
— less	0	—	1	0	—	—
— none	6	—	—	5	—	—
— about the same	16	—	—	11	—	—
Current Fleet:						
— mostly compact	8	—	—	0	—	—
— mostly mid-size	15	—	—	9	—	—
— mostly large	1	—	—	12	—	—

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Illinois Police Study Finds:

Fewer Accidents, Lower Without Roof-Mounted

In 1982, based on a study of fuel use and accidents, the Illinois Department of Law Enforcement began removing roof-mounted emergency lights from police patrol vehicles. Initially, 120 vehicles were used for a test, paired one with and one without roof-mounted lights. After six months, fuel economy, accidents, and productivity were compared. Significant improvements were found for those officers driving without roof-lights on their vehicles. (The 1982 study was published in the November 1983 issue of *NAFA Bulletin*.)

More vehicles were placed in service in early 1983. This study examines a period from April

1982 through January 1984. It examines results from 177 similar vehicles with and without roof-mounted lights that have traveled more than five million miles. Officers driving vehicles without roof-mounted lights have obtained nine percent better fuel mileage, have better productivity in speed enforcement, and have been involved in 66 percent fewer accidents. All are statistically significant. Prior to receiving these vehicles, all officers had similar performance. The findings suggest that removal of roof-mounted lights reduce costs, particularly those resulting from accidents, and improve productivity.

Three statistical tests were employed to examine the following hypotheses:

1. The vehicles with roof-mounted lights have the same fuel economy as those without such lighting systems.

2. Productivity of the officers in each type of vehicle does not differ.

3. There are no differences in accident between the two types of vehicles.

Description of the Vehicles and Drivers

Since the first vehicles were placed in service in 1982, The Department of Law Enforcement (DLE) has operated 177 vehicles marked as Division of State Police (DSP) squads in line patrol. Of the 177 vehicles 93 or 52.5 percent have had grill mounted emergency lights (none on the roof). During this same period, 207 officers of the rank of Trooper have driven the vehicles

The data used for this evaluation was taken from three sources maintained by the Department. First is a vehicle cost file which contains monthly expenditures for fuel and maintenance, fuel used, and miles driven. Activity for officers, as well as time spent, resides in an on-line data base known as the Traffic Information and Planning System (TIPS). Finally all accidents involving officers assigned to 1982 and 1983 marked patrol cars were taken from the accident file. All data covers a period from January 1979 through January 1984.

TABLE 1
Summary of Bases of
Data Used for Evaluation
(Vehicles Placed in Service Since 1982)

Lighting Configuration	Number of Vehicles	Percent	Number of Officers	Percent	Miles Driven (000's)	Gasoline Used	Accidents
Roof-mounted	84	47.5%	105	50.7%	2,987.5	267,900	37
Grill-mounted*	93	52.5%	102	49.3%	2,621.2	215,900	12
Total	177	100.0%	207	100.0%	5,608.7	483,800	49

* No roof-mounted lights. All 177 vehicles are white with Illinois State Police markings.

Costs Lights

on patrol. Together, the 177 vehicles have been driven 5.6 million miles, used 48.4 thousand gallons of fuel, and been involved in 49 accidents. These data are summarized in **Table 1**.

All of the tests employed divide the officers into two categories, those driving the vehicles with roof-mounted lights (with light bars) and those driving vehicles without the roof-mounted emergency lights (without light bars). For the three measures, fuel consumption, productivity, and accidents, a separate comparison is drawn for these officers in both the new vehicles and for older marked vehicles. (All marked vehicles driven prior to 1982 had roof-mounted lights.) There are fewer officers in the historic comparison because some drove unmarked (plain color) vehicles.

The first hypothesis tested is that the fuel usage of those officers driving vehicles without light bars was no different from those officers driving vehicles with the light bars. As shown in

Table 2, those vehicles with roof lights travelled slightly more miles but used significantly more gasoline. The most important finding is that the officers in vehicles without roof lights averaged 12.7 miles per gallon. This is 12.4 percent better than the 11.3 miles per gallon received by officers in vehicles with light bars. The difference is significant at the .0001 level. Total cost of operation, of which fuel is the largest component, was 14.2 cents per mile for vehicles with light bars and 12.5 cents per mile for those without the lights. This difference of 13.6 percent is significant at .0001.

Table 3 is the contingency table giving lighting configuration and fuel usage above and below the median of 11.8 miles per gallon. Significantly more drivers of vehicles with roof-mounted lights were below the median gas mileage. The hypothesis that fuel usage is the same for vehicles with and without roof-mounted light bars is rejected.

Did the officers drive differently before they received the new vehicles? **Table 4** shows the average gas mileage and average total costs per mile for police vehicles driven by officers. Since 1976 the officers have driven more than one vehicle; therefore, the "N" in each category does not equal the number of officers.

For the analysis, the officers were separated into those currently driving vehicles with and without roof-mounted emergency lighting. Because officers drove both marked and unmarked cars, the data are shown separately for each type. Although those officers currently driving vehicles without roof-mounted lights obtained slightly better gas mileage and had lower operating costs, the differences are not significant.

Other factors such as location of patrol, distance driven, or year of make are eliminated. The vehicles with and without light bars are distributed throughout the state. The first 120 vehicles were distributed randomly. Already eliminated were patrols in the urban areas surrounding Chicago. State Police patrols outside Cook County primarily are rural. While the total miles driven have differed slightly, these differences were not significant.

There are two years of vehicles in the study, 1982 Fords and 1983 Dodges. The Dodge patrol vehicles obtained 12.9 miles per gallon which was 0.4 mpg better than the Fords built in 1982. This difference was not significant.

Therefore, based on the differences in fuel mileage, 12.7 versus 11.3, the vehicles without roof-mounted lights will require less fuel to operate. If the vehicles average 15,300 miles of patrol per year, (based on data in **Table 2**), removal of roof-mounted lights will save 149.3 gallons of gasoline per vehicle. At 1.30 dollars per gallon, that is a savings of \$194 per year per vehicle. Removal of roof-mounted lights, then, is cost-effective.

Productivity of the Officers

The officers are not expected to be more productive regardless of the vehicle driven, although, Stoica had indicated that officers driving vehicles without roof-mounted lights wrote more citations for speeding. The International Association of Chiefs of Police also had indicated in a

(Continued on page 14)

TABLE 2
Costs, Mileage, and Fuel Economy of
The Tested Vehicles

Lighting Configuration	N	Miles Driven (000's)	Average Mileage	Gasoline Used	Average Gallons	Average Mpg*	Average Cost Per Mile (Cents)*
Roof-mounted	107	2,987.5	27.920	267.900	2503.7	11.3	14.2
Grill-mounted	102	2,621.2	25.700	215.900	2116.7	12.7	12.5
Total	209	5,608.7		483.800			
Wilcoxon significance			+1.153		+2.312 P .02	-4.775 P .0001	+4.323 P .0001

Illinois Police Study

(Continued from page 13)

study that police in unmarked vehicles were more effective at enforcing the 55 mph speed limit than those in marked vehicles.

While all the vehicles in this study have the traditional state police markings, those without light bars on the roof do not appear to be police vehicles, particularly to approaching motorists. Most of the officers use moving radar for enforcement of the speed limit; therefore, detection of approaching speeding motorists should be easier from police vehicles without roof-mounted lights.

On the other hand, officers in vehicles with roof-mounted lights wrote citations for other violations of a higher rate and made more stops (including those resulting in a written warning) than the other officers. However, there is no statistical difference in the rate of activity per 100 hours between the groups of officers. Those in vehicles with roof-mounted lights average 82.5 stops for all violations per 100 hours. Those in vehicles without such lights average 77.2 stops per 100 hours. An examination of activity before introduction of the new vehicles, from 1979 to 1982,

showed no statistical differences between these officers even for speeding citations. Those currently driving vehicles with roof-mounted lights were slightly more productive. Therefore the hypothesis holds. There is no difference in productivity except for citing speeding motorists.

Accidents

According to the analysis of accidents occurring to officers in 1980 (Table 5), those who drove vehicles with roof-mounted

lights (all with state police markings) were twice as likely to be involved in accidents than those who drove vehicles without light bars or unmarked vehicles. For every 100 marked vehicles, 26.9 were involved in accidents. The rate for unmarked vehicles was 11.7, or one accident for every 2.3 marked vehicles. All of these vehicles had been driven for patrol and have been driven approximately similar mileage.

The null hypothesis states that no difference should exist between new vehicles with and without light bars.

Of the 49 accidents recorded from April 1982 through January 1984, 37 or 75.5 percent involved vehicles with roof-mounted lights. Twelve involved vehicles without light bars. Approximately the same number of vehicles had roof-mounted light bars as did not. As a result, the rate of accidents for vehicles with roof-mounted lights was 44 per 100 vehicles compared to 12.9 for the other vehicles. Because these data cover a 21-month period, the rate of 44.0 accidents per vehicle represent a rate of 25.1 per year. This is similar to the rate for marked vehicles in 1980.

The rate of accidents over two years for vehicles without roof-

(Continued on page 16)

TABLE 4
Fuel Consumption By Officers
Prior to 1982
(1976 to 1982)

Type Vehicle Currently Driven	Marked Units		Average Miles per Gallon	
	Number Driven	Average	Unmarked Units*	Average
Roof-mounted	105	10.25	19	10.51
Grill-mounted	118	10.66	10	11.08
Wilcoxon significance	-1.254 N.S.		-0.425 N.S.	

Type Vehicle Current Driven	Average Total Costs of Operation	
	Marked Units	Unmarked Units*
Roof-mounted	18.28	17.17
Grill-mounted	18.08	16.73
Wilcoxon significance	0.120 N.S.	0.232 N.S.

* No police markings and no roof-mounted lights.

TABLE 3
Comparison of Fuel Economy
Above and Below the Median Gas Mileage
(11.78 mpg)

Lighting Configuration	Below		Above		Total	
Roof-mounted	67	64.4%	38	36.9%	105	50.7%
Grill-mounted	37	35.0%	65	63.2%	102	49.3%
Total	104		103		207	

Chi-square = 15.69 d.f. = 1 p .0001

Fuel Mileage Above and Below the Median

Lighting Configuration	Miles per Gallon	
	Below	Above
Roof-mounted	10.36	13.00
Grill-mounted	10.77	13.80
Wilcoxon significance	-1.847 p .07	-2.225 p .03

Illinois Police Study

(Continued from page 14)

mounted emergency lights was 12.9 per 100 vehicles. This difference is statistically significant at a confidence level greater than 99.9 percent. In 1980, the ratio in accidents between vehicles with roof-mounted and grill mounted lights was 2.3 to 1. This increased to 3.4 to 1 in the 1982-1983 period. The null hypothesis is rejected. Officers driving vehicles without roof-mounted lights have substantially fewer accidents.

Accident Comparison

Shown in Table 6 is the number of accidents per million vehicle miles. There were 12.4 accidents per million vehicle miles for vehicles with roof-mounted lights and 4.6 for vehicles without such lights. Accidents involving vehicles with roof-mounted lights cost more to repair and resulted in more injuries. Only the average number of vehicles involved was similar.

The question of officer involvement in accidents prior to the issuance of new vehicles must also be considered. Were those officers now driving vehicles with roof-mounted lights involved in more accidents when they drove other cars? As shown in Table 7, the 207 officers were involved in 106 accidents in marked vehicles from 1976 to 1982. Even though the rate of accidents per 100 officers currently operating vehicles with roof-mounted emergency lighting is higher than for the other officers, the difference is not statistically significant. An analysis of variance for costs also showed no difference.

Major Findings

Accidents appear more likely to occur to officers driving vehicles with roof-mounted lighting equipment. These vehicles have poorer gas mileage and the officers are less productive, at least in terms of enforcement of the speed limit. Examination of fuel usage, productivity, and acci-

TABLE 5
Investment of Police Vehicles
In Accidents During 1980

Type Vehicle	Accidents		Vehicles		Rate of Accidents per 100 Vehicles
	Number	Percent	Number	Percent	
Marked	199	87.7%	741	75.6%	26.9
Unmarked	28	12.3	239	24.4	11.7
Total	227	100.0%	980	100.0%	23.2

Chi-square = 15.54

d.f. = 1

p .001

TABLE 6
Accidents Involving Vehicles
With and Without Roof-Mounted Lights
Other Characteristics

Lighting Configuration	Accidents		Miles Driven (00's)	Accidents per One Million Vehicle Miles	
	All	Police Services Excluding Patrol		All	Police Services
Roof-mounted	37	11	2,987.5	12.4	3.7
Grill-mounted	12	4	2,621.2	4.6	1.5

Lighting Configuration	Average Costs	Injury to Officer		Average Vehicles Involved
		None	Injury	
Roof-mounted	\$1,020	31	6	1.7
Grill-mounted	730	12	0	1.7
	N.S.	Not computed		N.S.

dents by these officers prior to receiving the new vehicles does not indicate bias. Those driving vehicles with and without roof-mounted lighting equipment had the same history. The differences found in this study appear to be related casually to the use or lack of use of roof-mounted lighting equipment.

The findings in terms of operation costs and accidents are important. Given an average savings in fuel of 149 gallons per year means that in a fleet of 1,000 patrol vehicles at a cost of 1.30 per gallons, savings will be approximately 193,700 dollars per year. This is enough to purchase at least 19 new vehicles at the current price. Additionally, the grill-mounted and rear window lights cost less than 100 dollars installed. Aerodynamic lighting systems can exceed \$300 per vehicle.

More critical is the finding in terms of reduced accidents. One

of the strongest original arguments against removal of light bars was officer safety. Roof-emergency lighting was supposed to help protect the officer. Yet, the accidents involving vehicles without roof-mounted lights have resulted in no injuries to the officers driving those vehicles. On the other hand, six officers have been injured in those vehicles with the traditional lighting systems. No cost is attached to an injury for this study (and there have been too few for adequate analysis). However, any reduction in potential for injuries increases the availability of manpower, reduces out-of-pocket costs, and reduces insurance costs.

Even if injuries are not considered, the relationship in costs of repair, as a result of accidents, shows significant difference between the two sets of vehicles. The twelve vehicles without roof mounted lights cost approxi-

A Look into Why the Illinois Police Drive Without Roof-Mounted Lights

Starting in April 1982, the Illinois Department of Law Enforcement (DLE) began testing 60 marked patrol vehicles without roof-mounted emergency lights. These vehicles were selected at random from 120 marked vehicles placed in service in that year. Emergency lighting was placed inside the grill and on the back window ledge. The basis for this change was a study conducted by Stoica for the Department in 1982.¹ It recommended removal of the light bars to save fuel. It also found that drivers of unmarked cars (no roof-mounted lights) tended to have fewer accidents.²

The 120 marked police vehicles (squads) introduced in 1982 were divided evenly into those with and without roof-mounted emergency lights. They were distributed randomly to pairs of field officers with similar patrols in each district. In Illinois, the squad remains permanently with an officer. At the end of the first six months, the Bureau of Planning and Development evaluated the results to that point.³

Fuel savings, even with less than one million miles of driving, were significant. Those vehicles without roof-mounted lights averaged 6.4 percent better gas mileage.⁴ Officers in all 120 vehicles had been involved in only 15 accidents, a base too small for statistical analysis. However, the accidents involving vehicles with roof-mounted lights were occurring at the rate twice that for those without lights.⁵ This had been expected.

Stoica, in this study, also looked at productivity and the opinions of the officers driving

the vehicles with the roof lights. There were no differences in other traffic enforcement.⁶ The officers held positive opinions about their vehicles without roof-mounted lights. In terms of safety, one officer's statement suffices.

"...I personally like my semi-marked (no roof-mounted lights) squad. In fact, it has made me even more safety conscious knowing there is a possibility that I may not be seen."⁷

As a result of Stoica's interim evaluation, the Department issued most 1983 vehicles without roof-mounted emergency lights. The only location not receiving such vehicles was in the Chicago metropolitan area, a six county region.

Vehicles without light bars were not placed in the metropolitan areas. However, DLE has committed to testing the concept statewide. Tests in the urban area should be conducted similar to the test in 1982.

Footnotes

1. Ted L. Stoica, **Roof Mounted Light Systems on Police Vehicles**, Illinois Department of Law Enforcement, Springfield, IL, 1982. (unpublished)
2. *Ibid.*, p. 7.
3. Ted L. Stoica, **Evaluation of Semimarked Police Vehicles**, Illinois Department of Law Enforcement, Springfield, IL, April 1983.
4. *Ibid.*, p. 3.
5. *Ibid.*, p. 8.
6. *Ibid.*, p. 10.
7. *Ibid.*, p. 20.

mately \$9,000 to repair. Given the cost per accident for vehicles equipped with light-bars, these 12 vehicles would have cost more than \$12,000. This is a savings of \$3,000 for those accidents alone.

Given the rate of accidents for vehicles without roof-mounted lights, had the other 84 vehicles also been operated with grill mounted lights, the savings would have exceeded \$27,000. A

summary of potential savings is shown in **Table 8**.

Why are the vehicles without light bars safer? The quote given earlier in this paper suggests that police officers assume that emergency lights automatically give some form of unchallenged authority. The number of times a police vehicle on an emergency call collides with another vehicle is too numerous. That authority is only assumed. When the light bars are removed, the officer has to be more cautious.

The Department has begun to issue most new vehicles with state police markings but with-

(Continued on page 35)

TABLE 7
Officer Involvement In Accidents
Prior to Issue of New Vehicles

Current Vehicle Configuration	Officers in Base	Accidents in Marked Units		Per 100 Officers
		Number	Percent	
Roof-mounted	105	57	53.8%	54.3
Grill-mounted	102	49	46.2%	48.0
	207	106	100.0%	48.0

Chi-square 1.29 d.f. = 1 N.S.

Get Your Cars in Shape

(Continued from page 26)

If you smell gas, the engine is probably flooded. Turn off the ignition, push the pedal to the floor for a minute, keep it there and turn the key.

Once you get the car started, don't race the engine. Warm it up briefly. Most manufacturers say that an extended warm-up is not necessary or desirable. Driving off at a moderate speed will warm your car more efficiently.

On-The-Go-Strategy

Speed: Reduce when there's snow or ice on the road increasing the risk of a skid.

Steering: Avoid abrupt steering movements to turn a corner or change lanes. Anticipate moves and steer gradually.

Braking: Apply your brakes with a slow, steady pressure until just before they lock. When you feel them nearing lockup, ease off. Pause briefly, then apply again. Keep in mind that slamming on the brakes locks them and takes away all your steering control.

Interval: Increase your following distance when the road is snowy or icy. Doubling or tripling the normal interval is the safe way to go.

Skids: To steer out of a skid, you must take action quickly. Stay off the brakes, ease off the accelerator and steer in the direction you want the front of the car to go. If you want it to go right, turn right. If you want it to go left, turn left.

If you get stuck, turn your tires from side to side to clear away some of the snow. Then, with your tires aimed straight ahead, ease forward as gently as possible.

Another way of getting unstuck is by rocking the car. Shift from forward to reverse and vice versa, each time with just a little pressure on the accelerator, until the car gets going. ■

Illinois Police Study

(Continued from page 17)

out roof-mounted lights. If all vehicles in the patrol fleet (approximately 1,100) have no roof-mounted emergency equipment, at the estimated savings of 530 dollars per vehicle annually, (78,120 dollar savings for 21 months and 84 vehicles), the Department could save in excess of 583,000 dollars for fuel purchases and repair costs for accidents. Unknown, but also of significant importance, will be the increased availability of manpower because of reduced injuries resulting from accidents. The program has been cost beneficial. ■

TRACTION RATING*

ON GLARE ICE at 25°F						
REGULAR TIRES	100					% IMPROVEMENT OVER REG. TIRE
SNOW TIRES	128					28%
STUDDLED SNOW TIRES		318				218%
REINFORCED TIRE CHAINS			730			630%
ON LOOSELY PACKED SNOW						
SNOW TIRES	151					51%
REINFORCED TIRE CHAINS		413				313%
RATING 0 100 200 300 400 500 600 700						

BRAKING DISTANCE*

FROM 20 MPH—AFTER YOU GET YOUR FOOT ON THE PEDAL
(REACTION TIME ADDS ANOTHER 22 FEET TO THE FIGURES SHOWN)

ON GLARE ICE at 25°F						
REGULAR TIRES	150					% IMPROVEMENT OVER REG. TIRE
SNOW TIRES	151					-1%
STUDDLED SNOW TIRES		120				19%
REINFORCED TIRE CHAINS		75				50%
ON LOOSELY PACKED SNOW						
REGULAR TIRES	60					—
SNOW TIRES	52					13%
REINFORCED TIRE CHAINS	38					37%
FEET 0 25 50 75 100 125 150 175						

Source: National Safety Council

TABLE 8
Potential Savings
All Vehicles
With Roof-Mounted Lights Since April 1982

Lighting Configuration	Miles Number	Miles Driven (000's)	Gallons Used	Fuel**	Costs Accidents	Total
Roof-mounted*	84	2,987.5	246.070	\$373.150	\$10,030	\$383,180
Grill-mounted	93	2,621.2	215.400	\$327.400	8,800	336,200
Potential	—	—	462.970	\$700.550	\$19,830	\$719,380
Actual	—	—	483.800	751.000	46,500	797,500
Savings	—	—	21.830	\$ 50,550	\$27,670	\$ 78,120

* With roof-mounted lights removed, based on costs incurred by vehicles with grill-mounted lights.

** At average actual costs of 1.55 dollars

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**SHOULD THE
USA
CONTINUE TO
RESTRICT IMPORTS?**

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NAFA Bulletin

The Magazine for Fleet Administrators
January 1985

Cover design by: Cindi Samol

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Voluntary Export Restraints End in 1985:

Should the U.S. Continue to Limit Japanese Imports?

The so-called Voluntary Export Restraint System (VER), which the United States has imposed on Japanese car makers, is scheduled to end in 1985. Will domestic manufacturers ask for another extension? If they do, and it is accepted, what effect will it have on U.S. manufacturers and on world trade?

Dr. Brian Hindley of the Trade Policy Research Centre and the London School of Economics has analyzed the impact that Voluntary Export Restrictions have on consumers, employment, and the economy of the country seeking protection from imports.

*This article is based on Dr. Hindley's commentary, first published in **The JAMA Forum**, a periodical of the Japan Automobile Manufacturers Association.*

One of the crucial questions Dr. Hindley raises is: Are these restraints beneficial and cost effective, or are they more political than economic?

As purchasers of hundreds of thousands of vehicles every year, this is a vitally important subject for NAFA members.

In industries such as textiles and clothing, steel, consumer electronics and automobiles, the governments of the western advanced industrial countries have moved away from free trade as expressed in the General Agreement on Tariffs and Trade (GATT). In its place, they have developed a system of bilateral deals between exporters and importers of particular goods that is known as the "Voluntary Export Restraint" system (VER).

"The central problem has been the rise of the Japanese producers to find price-quality combinations that have attracted a large and rapidly increasing number of buyers."

A voluntary export restraint occurs when the government of a country importing some product arranges with the government of an exporting country for a restriction on the volume of that country's exports of the product. Alternatively, the actual negotiation of the restraint may be handled by the import-competing and exporting industries themselves. This rarely occurs, though,

without some rather considerable involvement by the governments of the two countries involved. I use the term "VER" to refer to any and all such arrangements.

The benefits of VERs to countries using them may seem obvious — as is often the case with protective devices. The costs typically receive less publicity. But the popular assessment of the benefits of a VER is likely to be a very substantial overestimate of true benefits while the costs, far from being negligible, are likely to exceed properly assessed benefits by a very substantial margin.

Moreover, while this statement is correct when only pure economic costs and benefits are taken into account, I shall suggest that the true costs of the emerging VER system extend far beyond the realm of pure economics. The major element of these super-economic costs is the threat that the VER system poses to free trade, which underpinned the massive expansion in trade and prosperity in the period following World War II.

I shall first discuss the effects of VERs, identifying costs and alleged

benefits. Then I shall look more closely at the true nature of the supposed benefits. Finally, I shall turn to what I have referred to as the super-economic costs of the shift to the VER system.

The Effects of VERs

The primary effects of VERs can be illustrated by reference to international trade in automobiles. The central problem for the Western European and North American motor vehicle industries — and for their governments, faced with the cajoling and threats of large and powerful labour unions and employers has been, of course, the rise of the Japanese industry and the ability of Japanese producers to find price-quality combinations that have attracted a large and rapidly increasing number of buyers to their models. Japanese shares in different markets in 1980 — the last year before a more widespread movement to VERs against Japanese vehicles — are given in Table 1.

The table shows a considerable disparity between the West European countries represented, those possessing major producing industries of their own display a much lower level of Japanese penetration. This could reflect a number of things, including an inherent preference of buyers for national output where this is available, or an ability of national industries to satisfy the particular requirements of their own countrymen. One thing it certainly reflects, however, especially in the cases of the United Kingdom, France and Italy, is the presence of trade restraints.

The extraordinarily low Japanese share of the Italian market is explained by Italian enforcement of a bilateral agreement entered into during the 1960's, which limited exports in either direction to 2,200 units per year. The United Kingdom has had a de facto VER with Japan since 1976, limiting Japanese exports to somewhere around 11 percent of the British market. In 1977, the French government made explicit its refusal to allow the Japanese share of the French market to exceed three percent.

The Japanese share of the unrestricted markets in the table varies from 10.3 percent in Germany to 31.3 percent in Denmark. A very rough, but also probably rather conservative, estimate of the share of the Italian, French, and British markets that Japanese producers would have been able to take in the absence of restraints is midway between those fig-

ures: 20 percent. This estimate suggests that the export restraints have had the effect of increasing the non-Japanese share of the Italian market by something on the order of magnitude of 20 percentage points; of the French market by 17 percentage points; and of the British market by nine percentage points.

Is this cost or benefit? The most obvious and direct benefit to Italy,

TABLE 1.
Car Sales by Japanese Producers in 1980
(Percent)

Denmark	31.3	United Kingdom	12.3
Ireland	30.5	West Germany	10.3
Netherlands	26.6	France	2.9
Belgium and Luxembourg	25.2	Italy	0.1
United States	21.3		

Source: *The Economist*, London, 23 May 1981.

France and Britain lies in the degree to which their domestic manufacturers were able to capture this artificially-induced increase in the share of producers from other countries than Japan. There may, of course, be a secondary, benefit insofar as purchases are switched from Japan to the industries of countries with whom members of governments wish to maintain particularly good relations. But this is a gain for politicians, not something that the man-in-the-street would or should be expected to regard as a benefit for which he might be prepared to sacrifice his freedom of choice.

On the other hand, he might be willing to make such a sacrifice for extra employment opportunities in the economy in which he is resident. From this point of view, therefore, the relevant benefit is the additional domestic employment generated by the VER.

"Purchasers are switched from Japan to the industries of countries with whom members of governments wish to maintain particularly good relations."

For a variety of reasons, however, this is a benefit of uncertain magnitude. There is good economic reason to believe that overall employment in the protected economy may fall as a result of the VER. The more immediately rele-

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Voluntary Export Restraints

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vant point is that there is a loss to be set against any gain — or non-gain — in domestic employment.

That loss derives from the fact that the VER imposes upon the exporting economy the requirement that it limit the volume of its exports below the level they would have if its exporting companies were given their head.

“If supplies from the exporter’s home-base are restricted, he might be encouraged to establish production facilities within the restricted market, so escaping the restrictions.”

Japan’s automobile manufacturers must restrain themselves, or be restrained, from selling as many automobiles in Italy, Britain or France, and since 1981, in the U.S., Canada, Belgium, the Netherlands and probably Germany, than they otherwise would. Whether this is achieved by adjustment of prices or by adjustment of one of the many quality attributes that make a successful automobile, car buyers are likely to be worse off as a consequence of the VER restrictions. This implicit tax on one section of the community must in any proper assessment of VERs be laid against the gain to domestic producers of automobiles.

A second possible effect of a VER (or other trade restriction) is on the investment plans of restricted exporters. If supplies from the exporter’s home-base are restricted, he might be encouraged to establish production facilities within the restricted market, so escaping the restrictions.

“A major advantage of the Japanese companies is said to lie in the discipline, diligence and reliability of Japanese workers.”

In assembly operations, such as consumer electronics and vehicles, one consequence of VERs restricting Japanese exports to North America and Western Europe has been a heightened interest of Japanese producers in the possibilities of producing — or at least assembling — in Europe and the United States. The introduction of VERs in these industries has been accompanied by an increase in

actual Japanese investment in local production.

There seems little doubt that, for many of those joining the outcry for protection, this effect on the investment plans of Japanese producers was a major intended outcome — as it was and is the objective of the threats of even further increases in protection should such Japanese investment not be forthcoming. The local content legislation proposed in the U.S. is a specific and spectacular example.

The advantages of Japanese investment to politicians concerned about jobs, and to union leaders concerned about membership, are obvious. There are also benefits for the European and American companies and their workers. A major advantage of the Japanese companies is said to lie in the discipline, diligence and reliability of Japanese workers. To separate the Japanese companies from that work force is to threaten to deprive them of a major competitive advantage.

Yet, while hobbling the Japanese producers might create European and American stability in their home markets, the bill for that stability is paid by purchasers of automobiles in the stabilized markets. One of their objectives in purchasing Japanese vehicles is to obtain the reliability that appears to stem from the use of Japanese labour. Possibly the Japanese companies will be able to obtain this quality in Western Europe and North America, even though European and American companies apparently have failed to do so. But the more likely outcome is that buyers of automobiles in those areas will be unable to obtain such quality, except at a very much higher price than in Japan. Moreover, particularly in Western Europe, car buyers are likely to be taxed directly in order to provide subsidies for the construction of the local plants that will produce these more expensive versions of Japanese models.

Whatever the outcome of this process, however, it is clear that on present trends, political considerations will play a larger role in the global allocation of motor vehicle production than the preferences of buyers of automobiles and trucks.

Benefits of VERs

The primary benefit of a VER must lie in its effect on employment in the protected economy. The magnitude of that gain is very uncertain, and so far as

overall employment in the economy is concerned, may even be negative.

Three reasons for the dubious magnitude of the employment gain, even in the industry protected by a VER, are obvious and straightforward — though they are also, for obvious reasons, invariably neglected by an import-competing industry's publicists in the political campaign designed to lead to a VER. These three are:

(1) that the replacement of restricted by unrestricted foreign sources of supply may be close to complete, so that the domestic industry gains nothing. It is widely thought that this was the effect of the British VER on automobiles from Japan: that the effect was to cause an increase in British imports from elsewhere in Europe of roughly the same magnitude as the decrease in Japanese exports to the U.K.-British Leyland (presumably the intended beneficiary of the VER) gained little or nothing from it;

(2) as VERs proliferate, it will often happen that the effect of one is to limit the effectiveness of another. For example, EEC and U.S. restraints on steel imports, which have the effect of raising steel prices in the U.S. and Community markets, raise the cost of producing automobiles in the U.S. and Europe. This negative link may operate through other less direct channels. An increase in the price of items such as automobiles, steel or clothing, which are important in the cost of living, will add to the determination with which labour unions seek wage increases;

(3) finally, exporters restricted in their access to some markets have a strong incentive to increase their efforts in those that remain unrestricted. As a result of the VERs limiting access to the European and American markets, it must be expected that the Japanese share of unrestricted markets will increase more rapidly than would otherwise be the case, replacing exports from those countries which have restricted access to their home markets.

If these facts were more widely understood, it is hard to believe that a policy of protection by VER — or by any other means — would recommend itself to the public at large. The truth is, however, that the facts are not widely understood. The gains to members of the protected industry are visible and seem obvious. The losses imposed on buyers of the protected good are much less obvious; and the losses in employment opportunities elsewhere in the economy are invisible,

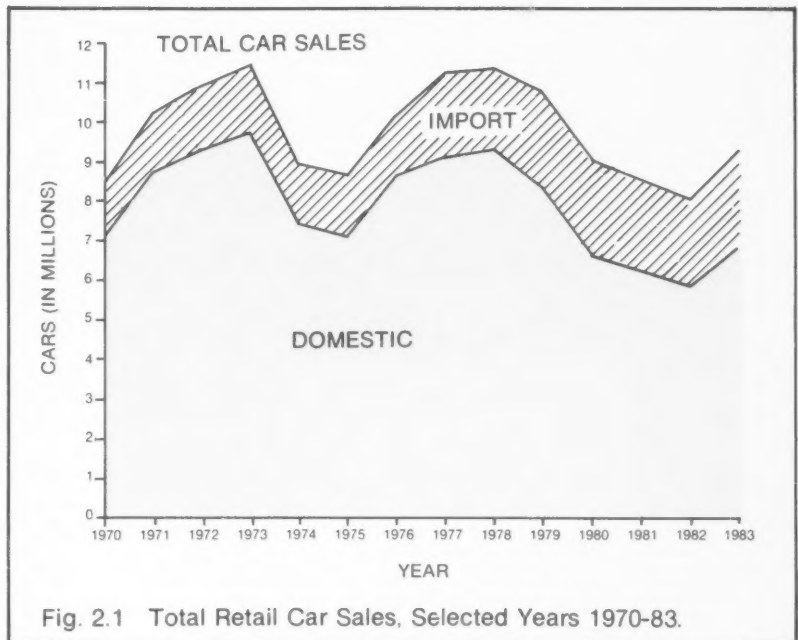


Fig. 2.1 Total Retail Car Sales, Selected Years 1970-83.

Source: Transportation Energy Data Book, Edition 7, Oak Ridge National Laboratories

at least in the sense that they are not attributed to protection and do not weigh at all in the public consciousness.

The growing VER system poses a major challenge to the central GATT principle — that of non-discrimination. The GATT offers Article XIX for the purpose of which a VER is typically used: that of protecting an industry 'threatened' by imports. But protection applied under Article XIX must be non-discriminatory; it must apply equally to imports from all sources. Presumably one advantage of a VER — as seen by the government of the importing country — is that it can be applied to some sources of imports without the necessity of applying restrictions to others.

"The supposed short-term advantages of VERs are more political than economic and more apparent than real."

Yet why should this be considered an advantage? One might take many attitudes toward the pleas of a company or industry losing out to competition from elsewhere, including the attitude that it is the responsibility of members of the industry or company to put their own house in order rather than their right to receive what is, in effect, a sub-

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Future of Public Transportation:

Cooperation, Coordination and Commitment Can Solve Highway, Bridge Problems

The American Association of State Highway and Transportation Officials' (AASHTO) Task Force of Future Directions for Public Transportation was organized to examine the public transportation industry, identify problem areas, and recommend policies to mitigate existing and future problems.

The recommendations are based on an evaluation of current conditions and forecasts of economic and social conditions. Implementation of the recommendations can be achieved in various ways, according to AASHTO. For some, legislative action will be required; for others, joint action

by participants in the industry will be necessary. In all cases, effective cooperation and coordination will be the keys to success.

The public transportation industry is in a dynamic state of transition, AASHTO points out. A successful transition will depend on new techniques, procedures, and attitudes.

As you well know, fleet cars travel hundreds of millions of miles per year on our nation's highways. As major users of this transportation system, fleet managers must be vitally concerned with the recommendations on how to improve the highway system.

Since its inception in 1916, the Federal Aid Highway Program has been based on the philosophy of providing federal assistance to state-administered highway programs. A nationwide network of surfaced roads was a national priority, and states lacked financial and technical resources to provide a national highway system, state highway systems, and local road systems, without coordination and assistance.

With passage of the Federal-aid Highway Act of 1921, the federal-state partnership of today began to take shape. The purpose of the Act was to use federal aid to provide a highway network that would connect the nation's principal cities and towns and tie in with state and local highways, roads, and streets. This inter-city highway network, which became the Primary System, required state-to-state continuity and uniformity in design and construction standards. During the 1920's and 30's the nationwide effort to complete the new Primary System nurtured and reinforced the developing federal and state partnership.

From that beginning, other major federal initiatives evolved. A national system of feeder roads

was needed to get farm products to market, and the Secondary System was born. A growing concern for urban roads, in turn, led to Urban Extensions of the Primary System.

By the 1940's, travel had increased to the point where congestion and higher speeds from improved automobiles were bringing about serious accident problems, increasing concerns for the safety of the motorist. Geometric standards for enhanced safety were developed and a uniform accident reporting system was begun.

"Major rehabilitation and reconstruction were required to improve safety and to restore the Interstate System to intended service levels."

Perhaps the most significant milestone came in the 1950's when attention turned to interstate commerce and defense. In 1956, the Federal Highway

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Future of Public Transportation

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Trust Fund was established, and that reinforced the national policy to complete the Interstate System, which had been originally authorized in 1944.

During the 1960's, the Federal Aid Highway Safety Act was passed, outlining a series of safety standards addressing the operator of the vehicle as well as the highway facility. The American Association of State Highway and Transportation Officials responded to this nationwide concern with the development of operational guides for the enhancement of safety along the highway system.

Highway designers recognized nationwide concerns over accidents, and the need to provide greater safety. During this time, standards for providing a more forgiving roadside, largely clear of hazardous objects, were developed and implemented. Provisions of the forgiving roadside, along with construction of the Interstate System, continued to provide greater and safer mobility for automobile travel.

Over the years the Federal-aid Highway Program has produced many benefits:

- A federal-state partnership was created which, withstanding the test of 70 years, has served as a model for government programs by demonstrating an effective, working example of a federally assisted, state-administered program.
- Professional expertise created in state highway departments enabled the states to plan, develop, and construct the finest highway system in the world.
- Personal mobility was substantially enhanced.
- Defense, a key national issue, was addressed from a transportation perspective.
- The highway system assisted the growth of the national economy.
- Highway construction generated employment.
- Highways provided a cost-effective choice for interstate travel and transport and made possible today's motor carrier industry.
- User tax bases were firmly established and, until the fuel problems of the 1970's, provided stable, growing revenues.

A Program For America's Highways in the 80's

The Federal-aid Highway Program and the federal-state partnership that had succeeded so well for more than half a century faced an uncertain future. The program's financial foundation, the Federal Highway Trust Fund, was slated to expire in 1984. Spiraling highway construction costs had reduced the Fund's effectiveness, and its major revenue source, the gallonage-based gaso-

line tax, was being greatly affected by increasing fuel-efficient vehicles. The unfinished Interstate System lagged behind schedule, with the cost of completion rising faster than projects could be contracted.

Portions of the Interstate System had lived beyond their design lives and were deteriorating rapidly. Major rehabilitation and reconstruction were required to improve safety and to restore the Interstate System to intended service levels. In addition, conditions and service levels on the nation's Primary System were rapidly deteriorating. Many of the nation's bridges had reached an age where their structural capacity and functional design were raising concerns.

The Surface Transportation Assistance Act of 1982

The Surface Transportation Assistance Act of 1982 (STAA) was generally recognized as landmark highway legislation. It reaffirmed the national commitment to the Interstate System through increased authorizations and restatement of the 1990 completion date. To preserve the existing Interstate System, a tenfold increase was provided in Interstate 4R authorizations for system-wide rehabilitation. Rehabilitation of non-freeway roads was encouraged in a manner that enhances highway safety and extends the service life of the highway.

"Many of the nation's bridges had reached an age where their structural capacity and functional design were raising concerns."

The concepts of user financing and equity were reaffirmed. The STAA extended the Federal Highway Trust Fund, while new and revised user taxes promised continued program stability over the next several years. A five-cent-per-gallon tax increase on fuel was coupled with modified truck taxes to provide a 50 percent increase in the Federal-aid Highway Program.

The 50 percent increase in federal highway funding, coming at a time when millions of Americans were feeling the strain of economic recession, had a positive effect on the nation's recovery. During the first year of the STAA, approximately \$1 billion per month was put to work by states, resulting in significant progress in preservation, improvement and safety enhancement of America's highways. Additionally, the STAA assisted many states in their ongoing efforts to obtain increased revenues at the state level. Significant increases in state highway user fees were required to match greater amounts of federal funds, but also to more

(Continued on page 16)

Summary of Recommendations

System of National Significance

- A System of Highways of National Significance should be designated to include the Interstate System, Primary System and bridges on all current federal-aid systems.
- The Federal Highway Trust Fund should be extended indefinitely to provide permanent, predictable and adequate funding for rehabilitation, restoration, reconstruction and resurfacing of the proposed System of Highways of National Significance.
- Users of the nation's highways should pay their proportionate share for the construction and preservation of those facilities used. Consideration of any future highway user fee changes should be based on this philosophy of equity and should be consistent with findings of the Federal Cost Allocation Study, as supported by AASHTO.

The Interstate Program

- The currently defined Interstate Highway System should be completed by 1990, with no further expansion or substitution withdrawals. Authorizations should be set at levels to accomplish this national goal, at current match ratios.

The Bridge Program

- The existing Bridge Replacement and Rehabilitation program for bridges on federal-aid highway systems should be continued.

Funding Alternatives

- All fuel tax exemptions for gasohol, methanol and special fuels should be eliminated by 1985. If federal policy retains such subsidies, they should be financed from general revenues, not the Federal Highway Trust Fund.
- A federal fuel tax index, based on fuel consumption changes and cost index changes, should be implemented to ensure a constant purchasing power of current tax revenues.
- Fifty percent of revenues to the Mass Transit Account should continue to be distributed on a discretionary basis for high cost urban transit projections; the remaining 50 percent should be returned to states in proportion to their contribution to the Account, for mass transit capital investment and urban improvements.

Future of Public Transportation

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adequately respond to increasing requirements of the federal aid system.

The Federal Highway Program Today

While the STAA moved strongly to help meet needs and demands of the nation's highways, the Act was not all-encompassing. For example, deteriorating highways and bridges that were built over the decades presented too large a problem to be solved during a four-year period. The 1982 STAA also led to some problems for the highway program:

- Longer and wider trucks were allowed on a designated network of main highways, in response to the demands of commerce. However, segments of the existing highway system are inadequate to accommodate the vehicles safely, and will require extensive ramp reconstruction and lane widening in many states to correct. Costs of these improvements have not been calculated, but are anticipated to be substantial.
- Heavy trucks were allowed on more miles of highway to permit more economical movement of freight, but this increased heavy truck traffic will accelerate the deterioration of these highways.

- Federal tax exemptions for gasohol and certain other fuels were continued, denying the Federal Highway Trust Fund of these potential revenues. This continuation also diminished the stature of the federal government as an effective highway user fee collector.

Our highways and bridges serve too critical a purpose to be allowed to deteriorate to unsatisfactory, unsafe service levels. The best engineering management techniques must be employed to assure maximum benefit from available revenues, and the procedures and regulations surrounding the Federal-aid Highway Program should be reviewed and revised to help make this possible. An appropriate balance of federal, state, and local commitment must be achieved to meet the diverse highway needs of national, state and local importance. Revenues from each level of government must be used to their best advantage to complement each other in providing an effective solution to our highway problems.

Safety must remain a vital part of the nation's highway program. Research must address the needs of the highway system to accommodate the increasing traffic mix of smaller, lighter automobiles alongside the heavier, longer, and wider commercial vehicles.

As the nation continues its growth, vehicle miles

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Future of Public Transportation

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of travel will continue to increase. Throughout the highway program, a direct relationship has clearly been established between increased vehicle miles and decreasing safety. Efforts must continue to identify and resolve unsafe operational characteristics of roadways.

Table I represents the total estimated highway investments that will be required at the federal, state and local level to attain the service levels just described for the Federal-aid Highway System. The depiction on the same table of both federal aid currently authorized for 1986 and total highway investment requirements reveals present federal priorities among the systems, and underscores that meeting total highway requirements is more than just a federal responsibility.

"Our highways and bridges serve too critical a purpose to be allowed to deteriorate to unsatisfactory, unsafe service levels."

Over the nine-year period from 1987 through 1995 there will be between \$26 billion and \$30 billion per year required in highway investment on the Federal-aid Highway System, apart from other highway requirements at the state and local levels. These estimates are conservative, because many states believe that the HPMS has not adequately recognized required improvements on the Interstate and Primary Systems to provide ride quality and service levels that are acceptable to the traveling public. As a result, the figures in Table I do not

indicate the full magnitude of resources which may be required for the existing Federal-aid Highway System.

The highway needs represented in the table also do not include resource demands created by the 1982 Act, which established a nationally designated system for the operation of motor trucks, and mandated that truck-trailer combinations, including 48-foot-long semi-trailers and trucks up to 102 inches in width, be allowed by all states on this designated system.

"Revenues from each level of government must be used to their best advantage in providing an effective solution to our highway problems."

In order to safely accommodate the longer and wider vehicles, the designated truck route system in many states is in need of significant geometric and other improvements, including lane widening, ramp reconstruction and approach road modification. The total cost resulting from this mandate is not yet known, but states are now completing a review of their portion of the designated system to calculate the cost.

There are additional factors that weaken existing revenue sources which, to a large extent, are now based on gallons of fuel consumed. Increasing fuel-efficient vehicles are helping reduce fuel consumption per mile of travel. This trend decreased revenues going to the Federal Highway Trust Fund from gallonage taxes and also decreases revenues being collected by states for

Table I
Estimated Total Required Highway Investments
(Billions)

	Fed. Funds Authorized 1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Interstate Comp.	\$4.0	\$4.3	\$4.5	\$4.7	\$4.9	\$.6	—	—	—	—
Interstate 4R	3.2	3.4	3.5	3.6	3.8	3.9	4.1	4.2	4.4	4.6
Primary System	2.5	5.0	5.2	5.4	5.6	5.8	6.1	6.3	6.5	6.8
Bridges	2.1	5.2	5.4	5.7	5.9	6.1	6.4	6.6	6.8	7.1
Secondary System	.7	4.5	4.7	4.9	5.1	5.3	5.5	5.7	6.0	6.2
Urban System	.8	3.2	3.4	3.5	3.6	3.8	3.9	4.1	4.3	4.4
Safety Program	.4	.4	.4	.5	.5	.5	.5	.5	.6	.6
Total	13.7	26.0	27.1	28.3	29.4	26.0	26.5	27.4	28.6	29.7

NOTE: In addition to the 1986 authorized amounts shown, approximately \$1.8 billion is authorized for Interstate Substitution, Federal Lands Highways, Emergency Relief, 85% Minimum Allocation, and Demonstration Projects.

Inflation is included at 4% per year.

Source: Federal Highway Administration data and information.

their highway funds. The national policy to conserve fuel has been effective for this purpose, but at the same time has reduced the vitality of federal and state highway trust funds.

There are also several special fuels or mixtures, such as ethanol and methanol, that benefit from tax exemptions in order to stimulate production and consumption. These exemptions exist in many states, as well as the federal level.

While the reduced market prices for tax-exempted fuel may be attractive to the consumer, consumers of such fuels are not paying a fair share for the highways they subsequently use and benefit from. The Federal Highway Trust Fund is not made whole, and the production of tax-exempted fuels is thus subsidized indirectly by all highway users who do pay their fair share of user taxes. The gasohol exemption alone will have cost the Federal Highway Trust Fund an estimated average of \$0.7 billion per year through 1995.

National policies for fuel efficiency, conservation and stimulation of production of alternate fuels are well known. What is overlooked in many cases is the impact of these policies on this nation's successful highway program. A strong national highway program cannot survive over an extended period of time if other national policies continue to weaken existing revenue sources and exacerbate an already critical funding situation.

State and Local Funding

Historically, total expenditures for highways by all levels of government have grown dramatically. Since 1965, total expenditures have grown 6.4 percent per year, from approximately \$14 billion to \$39 billion. The greatest increase has been in local government expenditures, with almost an 8 percent increase per year. State expenditures account for the second highest increase, 6.3 percent per year, with federal expenditures increasing 5.7 percent per year.

The data presented in Table II represents the total expenditures made on all highways both on and off the Federal-aid Highway System, and includes maintenance, operations, and capital improvements. The major point of this table is to demonstrate that federal, state and local governments devote substantial financial resources to all our nation's highways, not just the Federal-aid System, and that state and local governments together have by far the greatest share in total highway expenditures.

A major shift in highway program emphasis has occurred as construction decreased while maintenance became more critical to preserving existing facilities. In 1970, capital improvements accounted for 56 percent of our highway expenditures, but in 1982 that share dropped to 44 percent. The requirement to increase maintenance has diverted funds

Table II
Total Federal-State-Local Highway Expenditures
(Billions)

Year	Federal	State	Local	Total
1965	\$ 4.1	\$ 7.1	\$ 2.3	\$13.5
1970	5.2	11.0	3.4	19.6
1975	7.2	14.3	5.7	27.2
1980	12.0	19.0	9.0	40.0
1982	10.5	20.0	8.4	38.9
Overall Increase	155%	183%	271%	189%
Per Year	5.7%	6.3%	7.9%	6.4%

Source: Federal Highway Administration Statistics

needed for highway construction, compounding the highway funding problem.

System of National Significance

The Federal-aid Highway Program is at a crossroads, requiring a reevaluation of its purpose. Fragmentation in the program caused by irregular, unpredictable funding, special project funding and highly specialized categories of narrow interest, defeats establishment of the continuing

(Continued on page 22)

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Future of Public Transportation

(Continued from page 19)

sense of national purpose necessary to sustain support for the Federal-aid Highway Program. A national consensus on a common purpose needs to be established as we move into the future, if the federal program is to survive.

The current Federal Aid Highway System contains 850,000 miles of roadway and serves 80 percent of the total national travel. Because of the predominant nature of these highways in our total system, and their role in the economic well-being of this nation, it is clearly in the national interest to protect and preserve them. The federal government continues to have a major role and responsibility to construct and preserve highways of national significance.

A System of Highways of National Significance

A System of Highways of National Significance should be designated and funded consistently which would: serve interstate travel; connect principal metropolitan areas and major industrial areas; provide continuous and integrated state-wide networks; and provide for higher levels of service and safety in handling heavier and larger capacity trucking.

Rather than the current practice of spreading limited federal aid inadequately among more and often conflicting demands, this approach would concentrate resources toward project requirements of national importance.

Federal Highway Trust Fund

In 1956 the Federal Highway Trust Fund was created to help finance the Interstate Highway System, and also to provide revenues to other federal-aid highways. It has become apparent that the system of highways created through Federal Highway Trust Fund revenues will require extensive, on-going preservation and reconstruction of they are to retain their serviceability. Given the national nature of the major highway systems of this country, the federal responsibility for preserving such highways continues beyond construction and should include on-going preservation and reconstruction.

The Primary Program

The Primary Highway System consists of approximately 250,000 miles, not counting the mileage of the Interstate Highway System. Much like the Interstate System, Primary System highways serve as major routes of travel through and between national and state regions. Because of this role, they receive a great amount of travel. They face a future of deterioration unless the necessary capital investment is made to retain their serviceability and usefulness. It is in the

national interest to adequately protect and preserve the use of our Primary System highways.

Fuel Tax Exemptions on Gasohol and Methanol

At both federal and state levels, the fuel tax exemption for gasohol, methanol, and other special fuels has made a significant impact on highway user revenues. The use of these fuels has been increasing, and as exemptions also increase, the tax revenues from these fuels is decreasing. In 1983 the federal 5-cent gasohol exemption cost the Highway Trust Fund an estimated \$220 million. The current 6-cent exemption, if continued through 1995, will result in a total loss to the Federal Highway Trust Fund of \$7.5 billion between 1983 and 1995. The average annual cost to the Highway Trust Fund of gasohol tax exemptions is \$.6 billion per year from 1987 to 1990. The overall average from 1987 to 1995 would be approximately \$.7 billion per year.

Indexing Fuel Taxes

Indexing of fuel taxes for inflation and increasing engine fuel efficiency can produce a dependable method for stabilizing the purchasing power of taxes. This in turn produces a constant program level, in terms of funding, and enables a more objective analysis of whether or not a program level should be increased without trying to adjust for inflation and engine fuel efficiency increases at the same time.

The greatest advantage to indexing fuel taxes is to protect them from inflation. If an indexing of federal fuel taxes against inflation were to be implemented, the estimated total federal taxes it would produce would be \$5.2 billion from 1987 to 1990.

Value-Added Tax

A value-added tax could be adopted that would raise new revenues from highway users. A one percent value-added tax on gasoline, for example, would be one percent of the gallon price times the number of gallons sold. For gasoline at \$1.30 per gallon, the one percent value added tax would be 1.3 cents per gallon in added revenues.

Toll Roads

The selection of toll roads, setting of toll rates, collection, administration and spending of toll revenues should be administered by an agency, such as a state transportation department or a non-autonomous commission, authority, or board. Tolls should be viewed as a supplement to federal aid. In particular, blending of federal, state, local, and toll revenues is an option that should be available to the states, especially for new construction.

Motor Fuel Tax

The federal motor fuel tax rates were increased

(Continued on page 30)

June Quinn

(Continued from page 26)

committee consisting of her immediate superior, a sales representative and a regional manager. "The employees cannot take it out on only one person if they do not like what they get," she says laughing.

Contrary to many companies in these hard times, Pfizer spoils their employees. "In many cases, the employee's car is his office. If so, it has to be comfortable and safe."

The company offers a choice of eight compact models, generally with all the options. For the managerial staff, a specific amount is granted. In making her selections, June weighs a number of factors, such as the cost of operating the vehicle, the servicing and, finally, the cost to the company and the employee. "With the new tax laws, we can no longer overlook this last item," stresses June.

Prevent Car Accidents

Safety is uppermost at Pfizer. Before hiring an employee, the personnel department will eval-



June Quinn knows that choosing cars for company employees is a very difficult task.

uate his driving habits; the candidate will then be asked to follow a safety driving seminar. A first aid kit, a fire extinguisher, and flares can be found in every car. "We are also thinking of offering a refresher course every three years in order to remind drivers of the importance of safe driving."

Since the company also handles claims, a second committee reviews every accident and will

deal severely with any repeat offenders, as a matter of controlling insurance premiums. "We will ask the employee to take the course over or, in serious cases, he will have to pay for the cost of repairs or furnish his own car."

Women Prefer Smaller Cars

Pfizer does business with two rental companies who handle the repairs. "We now offer smaller cars to our representatives. Women, who make up a growing percentage of our sales force, tend to prefer them," says June.

Almost half of the cars are changed every year when the odometer reaches 60,000 kms. Many cars will be bought by the employees, another very appreciated advantage. "We do not make all the money we could when selling these cars," explains June. "We find that the employees take better care of their cars since they will eventually keep them."

June admits her interest in cars grew with her work. She finds the field more and more captivating as things get more complex. ■

Future of Public Transportation

(Continued from page 22)

in the 1982 Act for both gasoline and diesel fuels. Subsequent changes in the diesel fuel tax rates raised it to 15 cents per gallon, while gasoline remained at 9 cents per gallon. Gasohol is taxed at 3 cents per gallon.

With current consumption patterns for fuels, it is estimated that for each 1-cent increase in federal tax rates, the resulting revenues to the Trust Fund will be about \$1.1 billion per year.

Since states have fuel taxes of their own, increases in the federal fuel tax decrease, to some degree, the ability of states to raise their fuel taxes. It is for this reason that no increase in federal fuel taxes is recommended at this time.

Federal Weight-Distance Tax

Based on information from the Federal Highway Cost Allocation Study, the existing set of taxes and fees for trucks does not achieve an adequate level of equity among the classes of users. This concern has prompted the evaluation of alter-

natives to the current tax structure. AASHTO conducted a thorough study of the most promising alternatives and found that truck taxes based on a combination of weight of vehicles and the distance they travel is the most equitable means of taxation, with respect to costs imposed on the highway system, and is efficient in administration.

In addition, it should be attractive to trucking firms since it involves periodic payments based on actual use. Several states have established weight-distance taxes that are working well and have reasonable administrative costs and reporting requirements. Other states also have mechanisms in place for carriers to report heavy truck weight and mileage information that is needed for a weight-distance tax.

Recommendation: A federal weight-distance tax should be substituted for the heavy vehicle use tax and all other federal user fees on trucks except for a federal fuel tax levied at the same rate as on all other vehicle classes. The truck tax structure should be designed to yield revenues at least equal to the existing structure of taxes and to provide equity among different classes of users to the greatest extent possible. ■

Please refer to Chevrolet Dealer Service Bulletin Number: 85-3.

Electrical or Vacuum Operated Equipment

The Electronic Control System and Throttle Body Injection (TBI) engines are designed to work with the electrical system provided in the vehicle. The addition of any electrical or vacuum-operated equipment or accessories not offered as original equipment or as a factory approved option can adversely affect the operation of the fuel injection system and engine performance. Equipment operated by vacuum can also affect driveability as it allows unmeasured air to enter the engine, which can affect fuel/air ratios.

Please refer to Chevrolet Dealer Service Bulletin

Reissue Number: 84-167, Pontiac TSB Number: 84-8-18.

Multi-Ported Fuel Injected Engines

Fuel lines on all multi-ported fuel injected systems operate at a higher fuel pressure than carbureted engines or throttle body injection systems. Should any fuel hose used with this engine require replacement, it should be ordered from a General Motors parts warehouse. No attempt should be made to make field repairs.

The NAFA Hotline does not recommend or approve of any materials, equipment, or services not previously approved by the vehicle manufacturers or appropriate governmental agencies. ■

Voluntary Export Restraints

(Continued from page 11)

sidy, financed by an implicit 'tax' in the form of higher prices paid by purchasers of the protected good. But, accepting that imports are going to be restricted, why not use a tariff to restrict imports from all sources (so that the government of the importing country receives tariff revenue rather than exporters at a higher price) and allow the most competitive exporters to capture market share from the less competitive? Note again that in the VER system, it is the most competitive exporters who are typically restricted — and this confers a benefit on less competitive exporters who are not restricted. European producers of automobiles gain in the U.S. market as a result of the VER restricting Japanese automobile exports to the U.S.

There is another political "advantage" of the VER system. This is its lack of transparency. Because a VER can range from a gentleman's agreement or a "market forecast" to a quite highly formalized document, it is difficult or impossible to know all of the industries in which VERs exist, or between which countries. Moreover, the mere threat that a VER will be requested — a threat which becomes more credible as the system takes hold — may be restrictive insofar as exporters exercise a caution that they would not otherwise display. But, at least as important from a political point of view, the effects of a VER are often obscure to buyers of the protected good, on whom the costs of the VER, in fact, fall. Hence, the shift to the VER

system facilitates the giving of gifts by governments by concealing or obscuring from those who will ultimately pay for the gift the fact that they are doing so.

The shift from the GATT system to the VER system is ultimately a shift of power. When decisions as to what should be imported and from whom are made on political rather than economic grounds, the question determining what is imported is no longer simply 'Which shirt do I prefer?', as is the case with a private buyer, but 'Who has power?' or

"There is good economic reason to believe that overall employment in the protected economy may fall as a result of the VER."

'Which country can retaliate if its shirt exports are reduced?' or 'How much can the ABC Shirt Company contribute to party funds?' A country in which shirt imports or steel, or TV, or automobile imports are determined by the preferences of buyers is a different place from one in which imports are determined by the preferences of politicians.

The risks inherent in moving to such a system would suggest caution, even if there were real short-term economic gains from the use of VERs. In fact, even the supposed short-term advantages of VERs are more political than economic and more apparent than real. Under that circumstance, to accept the risk of chaos in the long-run seems a very high order of foolishness. ■

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NAFA



Bulletin

The Magazine for Fleet Administrators

February 1985

**A MILESTONE IN
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February 1985

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The outstanding efforts of NAFA's Chapter Chairmen have helped NAFA to reach new heights, with total enrollment of members and affiliates now surpassing the 2,500 mark.
-
- 6 Iacocca is Keynoter at NAFA's Annual Conference**
Chrysler's Chairman Lee Iacocca will be the keynote speaker for NAFA's 28th Annual Conference, scheduled for June 1-5 in Boston, Massachusetts.
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- 8 530 NAFA Members and Affiliates Pledge Support of Recommendations To Stop Odometer Tampering**
530 members and affiliates of NAFA responded to a Special Bulletin regarding the elimination of odometer tampering and indicated their willingness to comply with NAFA's suggested policies to fight the crime.
-
- 10 NAFA's Personal Use Survey Results Reveals: Most Fleets Pay Drivers 20¢ for Business Use of Personal Car**
A total of 407 fleets operating 264,905 passenger cars participated in NAFA's Annual Survey which shows that eight out of 10 U.S. fleets reimburse drivers 20¢ or 20½¢ for business use of personally owned cars.
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- 30 Your Drivers Can Avoid Intersection Accidents**
Many intersection impacts are caused by simple carelessness or poor attention to other motorists. This article will remind your drivers of basic rules of the road that will help them avoid such unnecessary accidents.
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NAFA's Personal Use Survey Reveals:

Most Fleets Pay Drivers 20¢ for

NAFA Exclusive

A total of 407 fleets, operating 264,905 passenger cars, participated in NAFA's annual Personal Use Survey. Among the responses are 307 from commercial fleets in the United States, 21 public utility fleets, and 32 government fleets. The Canadian section of the survey consists of 47 fleets.

Although this survey is known as the Personal Use Survey, it actually contains information on four specific fleet management areas: 1) personal use of company-provided vehicles; 2) criteria for assignment of company cars; 3) reimbursement for use of personally owned cars for business, and 4) compensation or sale of cars to employees who no longer qualify for a company-provided vehicle. Each of the four subjects is covered within the individual industry grouping.

Drug & Cosmetic Group

1) Personal Use Policies

The Drug and Cosmetics Group consists of 42 fleets operating 32,292 passenger cars (2,573 company-owned, 29,719 leased). These fleets estimate that personal use

is 14 percent of the total mileage driven every year.

Every fleet in the group permits personal use of the company-provided car after working hours and on weekends and holidays. One fleet does not permit the car to be used for vacation travel. No

fleet places a limitation on the number of personal miles that can be driven.

Only one fleet does not charge for personal use; 41 do have a chargeback system. Fourteen fleets have a straight mileage charge; 19 use a flat weekly or monthly charge, while nine fleets use a combination of methods for determining the chargeback. Among the fleets with a straight mileage charge, three each set the rate at nine and 12 cents a mile. One fleet each charges for gas only, 7½ cents, 8, 10, 13, 14, 15, and 20½ cents a mile.

Among the fleets with a flat personal use charge,

there are these rates: \$25 a month, four fleets; \$35 and \$50 a month two fleets. Other monthly charges (by one fleet each) are: \$18 to \$22 a month, \$15, \$20, \$32.50, \$31, \$45 a month. Weekly charges include \$5, \$7, \$15, and \$20.

Fleets with a combination flat rate and mileage have these rates (all in one fleet each): \$15 a month and six cents a mile after the first 250 miles; six cents a mile and \$18 a month; \$30 a month and nine cents a mile; \$15 a month and seven cents a mile; seven cents a mile and \$18 a

month; \$30 a month plus 10 cents a mile over 300 miles a month; \$15 a month and seven cents a mile; \$40 or \$50 a month plus 7, 8, or 9 cents a mile depending on car driven. In one fleet the charge is \$6.30 a week plus six cents a mile.

Survey Highlights

- Nearly eight out of 10 U.S. fleets reimburse drivers 20 or 20½ cents a mile for business use of personal cars.
- One out of three U.S. fleets now charge more than 15 cents a mile for personal use of the company car.
- For the first time, more companies use a flat rate for a personal use chargeback than a straight mileage rate.
- More fleets than ever are now adding the personal use charge to the employee's income tax form as additional income.

Business Use of Personal Car

Seven fleets in the Drug and Cosmetics Group increased their personal use chargebacks in 1984. A number of others say they will increase it in 1985. One fleet increased its charge from 11 to 20½ cents a mile "to meet the new tax law fair market value."

In collecting the personal use chargeback, 22 fleets use an expense report deduction; 12 have a salary deduction, while other systems are used by seven fleets. The most common is the addition of income to the employee's W-2 form. One fleet requires payment by personal check, while another deducts a portion of the charge from the expense report and adds another portion to the income statement.

"In collecting the personal use chargeback, 22 fleets in the Drug & Cosmetic Group use an expense report deduction; 12 have a salary deduction, while other systems are used by several fleets."

Every fleet in the group permits personal use by both the employee and spouse. In addition, 29 fleets allow licensed children to drive the company car, and seven fleets permit use by "others" living in the same household, although one fleet does specify that the employee has to be in the car at the time.

Fifteen fleets have a minimum age requirement for driving the company car. In eight fleets it is 21; in six it is 18, and in one fleet the minimum age is 25.

In 17 fleets some payment is required for repair costs resulting from accidents during personal use. In one fleet it is the full amount. Two fleets have a fixed share of the costs. In one fleet it is 25 percent of the cost up to a \$500 maximum; in the other fleet it is \$200. Six fleets assess a dollar amount which ranges from \$100 to \$1,000. Seven fleets require the employee to pay the "insurance deductible," which runs from a low of \$50 to a high of \$300.

Twenty-one fleets charge the employee with an accident if another person was driving the car when the accident occurred.

2) Car Assignment

Among the factors governing assignment of a company car, 33 fleets say it is "job title," eight have a mileage criterion, and eight report that the "fringe benefit" of the car is considered. The responses are more than the number of fleets because several responses checked more than one answer.

The fleets using business miles driven as the factor in car assignment have these minimums: 15,000 miles, two fleets, and one fleet each for 10,000, 12,000, 17,000, 24,000, and 30,000 miles per year.

3) Business Use of Personal Cars

In reimbursing an employee for use of a personal car for business (when there is no assigned fleet car) 20 fleets pay 20 cents a mile. Two fleets each 18½ and 20½ cents a mile. One fleet each pays 15, 17, 24, and 25 cents a mile. One fleet pays \$250 a month plus actual gas costs, while another reimburses the driver a flat rate of \$310 a month.

When an assigned fleet car is not in operation and use of a personal car is required, 24 fleets pay

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Personal Use Survey Results

(Continued from page 11)

the employee 20 cents a mile. Five fleets pay 20½ cents a mile; three pay 18½, and one fleet each pays 24 and 25 cents a mile.

4) Compensation for Loss of Car

Eighteen fleets in the Drug and Cosmetics Group make a one time cash payment to an employee who loses eligibility for a company-provided car. In four fleets the payment is \$4,000; in two fleets each it is \$2,800 and \$5,000. Other payments include \$4,200, \$4,500, \$6,140, and \$6,180. Four fleets that do make a cash payment report only that it "varies." Another fleet pays the employee \$3,800. One fleet gives the employee \$3,800 less taxes; another pays one-half the original capitalized cost, and one pays \$1,400 plus \$100 a month for two years.

Seventeen fleets offer to sell the car to an employee who no longer is eligible for one. In four fleets the price is set at "wholesale," another four fleets will sell the car at the depreciated book value. AMR is the guide for a number of fleets who sell to employees. In two fleets it is AMR clean; in two others it is AMR less mileage; in one it is AMR zone 1 clean, less 15 percent; in another it is AMR fair, and, finally, "if not needed, AMR." Other selling prices include \$500 over book value; book value plus three months rent; Black Book; Black book clean or book value, whichever is higher.

Other compensation plans include giving the employee a choice of a cash payment equal to one-half of the yearly operating costs or selling the car at fair market value minus one-half of annual operating costs. Another fleet allows the employee to keep the car for two years with the imputed value reported as additional income.

Chemical & Petroleum Group

1) Personal Use Policies

The Chemical and Petroleum Group consists of 33 fleets operating 28,313 passenger cars (17,233

Reimbursement For Use Of Personal Car Mileage Only (No Assigned Fleet Car) U.S. Commercial Fleets Only					
Amount	1980	1981	1982	1983	1984
15c or less	3%	1%	2%	2%	1%
16, 17, 18, 19c	43%	13%	15%	11%	10%
20c	43%	68%	69%	72%	56%
20½c	*	*	*	*	22%
21, 22, 23, 24c	11%	17%	10%	12%	10%
25c or more	**	**	4%	3%	1%

Notes: *Not broken out in surveys for those years but included in "20 cents a mile" figure.
**Not broken out previously, but included in the "more than 20 cents a mile" percentage.

Reimbursement For Use Of Personal Car Mileage Only

(Assigned Fleet Car Not in Service)

U.S. Commercial Fleets Only					
Amount	1980	1981	1982	1983	1984
15c or less	4%	3%	5%	2%	1%
16, 17, 18, 19c	43%	15%	13%	9%	8%
20c	43%	66%	68%	73%	56%
20½c	*	*	*	*	23%
21, 22, 23, 24c	11%	17%	11%	14%	9%
25c or more	*	*	3%	3%	3%

Note: *Not broken out in surveys for those years, but included in "more than 20 cents a mile" total.

company-owned, 11,080 leased). Personal use among the fleets in this group amounts to 17 percent of total mileage driven.

Two fleets in the group do not permit any personal use of the company car; the other 31 fleets permit such use after working hours. Thirty fleets permit the car to be driven on weekends and holidays. While 24 permit it to be driven on vacations. Two fleets that permit personal use place specific limitations on such use. One fleet says the limit is 1,000 miles a year, while the other is more general and says the limit is "reasonable use."

Twenty-seven of the 31 fleets permitting personal use charge for it; four do not. Twelve fleets have a straight personal mileage charge; 12 have a flat weekly or monthly charge, while three use a combination method.

Three fleets charge 10 cents a mile for personal use; two charge 13 cents. Other mileage charges (in one fleet each) are: 7½ cents a mile, 9, 12, 15½, 16, 17, and 20½. Among the fleets with a flat rate, three each charge \$30 and \$50 a month; two charge \$35 a month while one charges \$100 a month. One fleet charges \$77 a month for use of an eight-cylinder car and 10 cents a mile for a six-cylinder car.

The fleets with a combination chargeback set it at 12½ cents a mile and \$50 a month; 10 cents a mile plus \$35 a month, and \$25 a month minimum or eight cents a mile.

Twelve fleets collect the personal use chargeback through an expense report deduction. Eight fleets use a salary deduction. Five fleets add the personal use charge to the employee's annual income. In one fleet the flat monthly rate is deducted from the salary, the mileage charge is paid by personal check. In another fleet, the flat rate is a salary deduction; the mileage charge is deducted from the expense report.

In three fleets only the employee is permitted to drive the company car; in the other 28 that permit personal use both the employee and spouse can use it. Twelve fleets permit licensed children to drive, and one fleet extends the driving privilege to "others" provided the employee is in the car.

(Continued on page 14)

Personal Use Survey Results

(Continued from page 12)

Five fleets have a minimum age requirement. In three of them it is 25; in the other two it is 18 and 21.

Nine fleets require the employee to pay for repair costs resulting from an accident during personal use. In two fleets it is the full amount of the repairs. In three fleets it is a dollar amount of either \$50 or \$100, while four fleets assess the "insurance deductible" — \$100 or \$250.

Nine fleets charge the employee with an accident if another person was driving the car when the accident occurs.

2) Car Assignment

In determining eligibility for a company car, business mileage driven is the most important factor in 16 fleets. Job title is the basis in 14 fleets, while "fringe benefit" is considered in four fleets. Two fleets say the car must be used for business 50 percent of the time for an employee to qualify.

Among the fleets that use mileage as a criterion for car assignment, six fleets set 12,000 miles a year as the business minimum. Five fleets set the requirement at 10,000 miles, while two fleets require 15,000 business miles a year. In one fleet each the minimum is 14,000, 20,000, and 25,000 miles a year.

3) Business Use of Personal Cars

In determining reimbursement for business use of a personal car (when the employee does not have a company car), 26 fleets use a straight mileage rate. In 13 fleets it is 20 cents a mile; in 10 the rate is 20½ cents a mile. One fleet each pays 11 cents plus gas, 17 cents, and 22½ cents a mile.

Three fleets use a sliding scale to reimburse employees for use of a personal car. In one fleet it is 20 cents a mile for the first 1,250 miles a month, then 11 cents a mile; in another it is 20½ cents for the first 15,000 miles a year, 11 cents a mile thereafter; another pays 20 cents a mile for the first 900 miles a month and 11 cents for additional mileage. One fleet uses a combination method of \$150 a month plus 20 cents a mile.

When an assigned fleet car is not in operation

and a personal car is used for business, every fleet in the group reimburses the employee on a straight mileage basis. In 14 fleets the rate is 20 cents a mile; in 10 fleets it is 20½ cents. One fleet each pays 10 cents plus gas; 11 cents plus gas; 17 cents, and 22½ cents a mile.

4) Compensation for Loss of Car

Only two fleets in the group make a one time cash payment to an employee who is no longer eligible to drive a company car. The payments are \$6,000 and \$6,580. Six fleets permit the employee to purchase the car he has been driving. Two fleets charge the wholesale value. In one fleet the car is sold at "book value;" another fleet will sell the car at "book value or one-half AMR." "AMR clean less mileage" is the price quoted by one fleet, while one sells the car at "80 percent of wholesale or undepreciated book value, whichever is higher."

Food & Beverage Group

The Food and Beverage Group consists of 38 fleets operating 21,811 passenger cars (10,999 company-owned, 10,812 leased). Every fleet in the group permits personal use of the company car; only one does not permit it to be driven on vacations. Personal use in this group amounts to 18 percent of the total annual mileage, according to those fleets reporting this statistic.

Five fleets in the Food and Beverage Group place a limit on personal mileage. In two fleets it is 100 miles a week; in two others the limit is 5,000 miles a year. The fifth fleet did not specify its limitation.

"Five fleets in the Food & Beverage Group place a limit on personal mileage. In two fleets it is 100 miles a week; in two others the limit is 5,000 miles a year."

Thirty-four of the 38 fleets in the group charge for personal use of the company-provided vehicle; four do not. Of those that charge, nine have a straight mileage charge; 18 have a fixed weekly or monthly charge, while seven use a combination of both. Among the fleets with a mileage charge, three set it at 10 cents a mile; one each 20 cents a mile, 20½ cents a mile, 23 cents a mile. One fleet charges 10 cents a mile after 50 "free" miles a month; another charges 14 cents a mile for trips over 100 miles. One fleet in the group offers an option: 7 or 9 cents a mile or ½ or ¾ percent of the capitalized cost monthly. One fleet reported it charged a "fair market rent," but did not elaborate on what it was.

Among the fleets with a flat rate, two fleets each charge \$50 and \$46 a month. Other flat charges mentioned (by one fleet each) were: \$25, \$60 or \$80 a month depending on type of car; \$20 or \$40 a month; \$40 or \$60 a month; \$50 or \$100 a month;

(Continued on page 16)

Personal Use Chargebacks
For Fleets Using A Straight Mileage Charge
U.S. Commercial Fleets Only

Amount	1980	1981	1982	1983	1984
7½¢ or less	14%	2%	3%	3%	1%
8, 9, 10¢	44%	43%	45%	28%	28%
11, 12, 13, 14¢	42%	55%	51%	43%	30%
15¢ or more	*	*	*	26%	34%

Note: *Not broken out in these surveys, but included in the "more than 10 cents a mile" category.

Personal Use Survey Results

(Continued from page 14)

\$40 a month; \$100 a month; \$28 a month; \$35 a month; \$6 a week; \$22 a week; \$350 a year, and \$500 a year.

Those fleets who use a combination charge for personal use have these rates (in one fleet each): 10 cents a mile and \$7 a week; 10 cents a mile and \$5.25 a week; 16 cents a mile plus \$10 every four weeks; 9 cents a mile for "extended use" and \$50 a month; \$50 a month and 10 cents a mile after 100 miles in a month, and 10 cents a mile plus \$20 a month.

Nine fleets in the Food and Beverage Group collect the personal use chargeback by means of an expense report deduction; 19 collect it by means of a salary deduction. Other methods of payment cited by the companies in the group include "driver pays \$150 every three months;" three fleets add the charge to the employee's annual income as reported on the W-2 form; one fleet said, "employees pay mileage as incurred," while another reported, "we collect 10 cents a mile from the expense report and then add 10 cents a mile additional income to the employee's W-2."

"Sixteen fleets in the Food & Beverage Group assess the employee for repair costs resulting from accidents incurred during personal use."

Ten fleets in the group reported they had increased their personal use charge during 1984 and several others indicated they would raise the rates again in 1985 "as a result of the new tax law."

In two fleets only the employee is permitted to drive the company-provided car. In the others, the employee and spouse are given personal driving privileges. Twenty fleets permit "licensed" children to use the company car, and four fleets extend the driving privilege to "others" living in the same household.

Fifteen fleets have a minimum age for driving privileges. In one fleet each it is 17, 20 and 25. In six fleets the minimum age is 18, while in five others it is 21.

Sixteen fleets in the Food and Beverage Group assess the employee for repair costs resulting from accidents incurred during personal use. One fleet charges the full amount of the repairs; six have a dollar amount ranging from a low of \$50 to a high of \$500. One fleet said it charges "20 percent of the repair cost or \$250, whichever is higher."

Nine fleets charge the driver the "insurance deductible" for repairs required after an accident during personal use. This ranges from a low of \$100 (four fleets) to a high of \$500. One fleet says it only makes the charge for a second accident.

Twenty-three of the 38 fleets in the group say they charge the employee with an accident if another person was driving the car when the accident occurred. Several of these fleets say such a charge is levied only when an "unauthorized" person was driving the cars.

2) Car Assignment

In response to the question, "what factors govern assignment of a company-provided car," 11 fleets said miles driven; 26 said it was "job title," while five said "fringe benefit" was a factor in

"When the employee does not have a company car, the majority of fleets in the Food & Beverage Group reimburse him for business use of a personal car by a straight mile rate."

company car assignment. The total response is higher than the number of fleets in the group because several respondents checked more than one factor.

Of those fleets using miles driven as the criteria, three each set the minimum at 12,000 and 15,000 miles a year; two fleets use 10,000 miles as the eligibility level; while one each uses 17,500, 20,000, and 25,000 miles.

3) Business Use of Personal Cars

In discussing the policies dealing with the business use of personal cars, there are two aspects: 1) when the employee does not have an assigned fleet car, and 2) when the company car is not in service.

When the employee does not have a company car, the majority of fleets reimburse him for business use of a personal car by a straight mile rate. In 12 fleets it is 20 cents a mile; in nine fleets the rate is 20½ cents a mile. Two fleets each pay 18 and 23 cents a mile, while one each pays 15 and 21 cents a mile. Three fleets pay a flat rate plus mileage. The combinations are \$300 a month and five cents a mile; \$260 a month plus nine cents a mile, and \$155 a month and 12 cents a mile. One fleet pays a flat \$380 a month, while another pays 20 cents a mile for the first 12,000 miles, 18 cents a mile for additional mileage.

In those cases where a company-assigned car is not in operation and the employee drives his personal car, all but one fleet in the group reimburses him on a mileage basis. The exception is one fleet that pays \$7 a day. Sixteen fleets pay 20 cents a mile; 10 fleets pay 20½ cents a mile. Two fleets reimburse the employee 23 cents a mile, while one fleet each pays 15, 18½, 21, and 22 cents a mile.

4) Compensation for Loss of Car

When an employee loses eligibility for use of a company car, eight fleets in the Food and Beverage Group offer a one time cash payment to the

(Continued on page 18)

Personal Use Survey Results

(Continued from page 16)

employee. In two fleets the payment is \$4,000. In one fleet each the payment is \$2,000, \$2,300, and \$5,000. One fleet pays the employee \$300 a month for temporary loss of the car for additional training. In one fleet the car "is given to the employee," while one fleet offers the employee "two months pay — up to \$6,000."

Nine fleets in the group will sell the company car to the employee who loses eligibility for it. Two fleets set the price at "fair market value." Other prices mentioned included 90 percent low Blue Book; wholesale with an interest free loan; book value; 90 percent of AMR; net wholesale, and AMR.

Insurance Group

1) Personal Use Policies

The Insurance Group consists of 59 fleets operating 36,800 passenger cars (19,783 company-owned, 17,017 leased). Fleets in the group report that personal use accounts for 20 percent of the total mileage their cars are driven.

Fifty-eight of the 59 fleets in the Insurance Group permit personal use of the company-provided car. One fleet limits the use to "commuting," two fleets ban its use on weekends and holidays, and four fleets do not permit the company car to be driven on vacations.

Ten fleets in the group place some limitations on the amount of personal use permitted. Some of the specific limitations mentioned include "cannot exceed 49 percent of the total mileage;" "6,500 miles a year," "10 percent of business mileage;" "reasonable (in our judgement);" "commuting

miles only;" "1,000 a month;" "1,000 miles when on vacation," and "50 mile radius of their home."

Two fleets in the group do not charge for personal use, the other 56 that permit personal use do have a chargeback system. Twenty fleets use a straight mileage charge. Three fleets each charge 14 and 20½ cents a mile. Two fleets each charge 15 and 16 cents a mile, while one fleet each charges 9, 10, 11, 12, 12½, 13, 17, and 20 cents a mile.

Among the fleets with a flat rate, five fleets charge \$50 a month; three charge \$30 a month. Other monthly charges (by one fleet each) include \$35, \$37.50, \$39, \$40, \$45, \$55, \$60, \$75. One fleet's charge ranges from \$40 to \$60 a month depending on size of car, while another's charge ranges from \$85 to \$200 a month. Weekly charges (again by one fleet each) are \$12 a week and \$20 a week. One fleet charges \$520 a year, while another's charge is "25 percent of the total car cost."

Fifteen fleets in the Insurance Group use a combination chargeback system. These chargebacks include six cents a mile and \$15 a month; \$10 a week and 15 cents a mile over 6,500 miles a year; nine cents a mile with \$650 added to the employee's W-2 form; \$684 implied annual income added to W-2; nine cents a mile over 600 miles a month plus \$650 added to W-2; nine cents a mile plus \$30 a month; 15 cents a mile and \$60 a month; \$50 a month plus 12 cents a mile over 600 miles a month; \$35 a month plus gasoline costs on vacation; \$39 a month plus 13 cents a mile over 300 miles a month; \$15 a month plus five cents a mile; \$43.25 a month plus 10 cents per mile for trips over 200 miles; 10 cents a mile and \$20 a month, \$19 a month and 15 cents a mile, and \$42 a month plus 14 cents a mile.

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Summary of Survey Responses

Industry Group	Number of Fleets	Company Owned Cars	Leased Cars	Total
Food & Beverage	38	10,999	10,812	21,811
Manufacturing-Consumer	40	6,389	13,753	20,142
Insurance	59	19,783	17,017	36,800
Chemical & Petroleum	33	17,233	11,080	28,313
Drug & Cosmetics	42	2,573	29,719	32,292
Manufacturing-Industrial	63	14,283	44,342	58,625
Other	32	2,604	9,318	11,922
U.S. Commercial Total	307	73,864	136,041	209,905
Public Utility	21	22,620	569	23,189
Government	32	18,764	204	18,968
Canada	47	4,900	7,731	12,631
Grand Total	407	120,148	144,545	264,693

Personal Use Survey Results

(Continued from page 18)

Twenty-eight fleets in the Insurance Group collect for personal use by means of an expense report deduction; 17 use a salary deduction, while 11 use other methods of collecting the chargeback. In most of these fleets the personal use chargeback was added to the employee's W-2 form as additional income. In one fleet the employee pays for personal use by a check to the company.

Sixteen fleets said they increased their personal use chargeback in 1984. The majority of them staying with their current system, but increasing the amount. However, one fleet switched from a flat rate to 20½ cents a mile, while another went from a mileage charge to a flat rate.

In four fleets personal use is restricted to the employee only; in the other 54 fleets permitting personal use both the employee and spouse can use the company car. Twenty-four fleets permit licensed children to drive, and six extend the driving privilege to "others" in the same household.

"Among the fleets in the Insurance Group, using mileage as a criterion for assigning a company car, eight say the minimum requirement is 12,000 business miles a year."

Minimum age requirements for driving the company car are set by 11 fleets. Two fleets each set the minimum age at 18, 21, and 25 years. One fleet each has a minimum age of 20 and 26.

Twenty-two fleets in the Insurance Group charge the employee for repair costs resulting from an accident occurring during personal use. One fleet charges the full amount; 11 have a dollar payment ranging from a low of \$50 to a high of \$300. The most frequently mentioned figure is \$100. Ten fleets assess the "insurance deductible" as the charge. This ranges from a low of \$100 to a high of \$250.

Thirty fleets say they "charge" the employee with an accident if another person was driving the car when the accident occurred; 27 do not enter such a charge on the employee's record.

2) Car Assignment

Thirty fleets in the group cite "job title" as the major factor in assigning company cars; 25 say they use mileage driven, while nine fleets say the "fringe benefit" of the car is a factor in its assignment to an employee.

Among the fleets using mileage as a criterion for assigning a company car, eight say the minimum requirement is 12,000 business miles a year. Six fleets set the minimum at 15,000 miles, while three fleets each use 10,000 and 18,000 miles. Other mileage requirements mentioned include (each by

one fleet) 6,000 miles, 7,500, 8,000, 8,500, and 22,000 miles a year.

3) Business Use of Personal Cars

In reimbursing an employee for business use of a personal car (when there is no assigned company car) most fleets use a straight mileage payment. In 24 fleets the rate is 20 cents a mile. Eight fleets pay 20½ cents a mile; two pay the employee 23 cents a mile. Other reimbursement rates include (by one fleet each) 17 cents, 17 cents plus gas, 18, 18½, 19, 21½, and 22 cents a mile.

"Twenty-one fleets in the Insurance Group makes a one-time cash payment to compensate an employee for loss of eligibility for a company-assigned vehicle."

Five fleets reimburse the employee on a sliding scale: 20½ cents a mile for the first 15,000 miles, then 11 cents a mile; 22 cents a mile for the first 7,000 miles, then 18 cents a mile; 24 cents for the first 10,000 miles, 19 cents for the next 5,000, then 16 cents a mile for any additional mileage; 24 cents for 1,000 miles, then nine cents for additional driving, and 16 cents for the first 700 miles in a month, plus 10 cents a mile for the balance.

Two fleets reimburse the driver of a personal car on a combination basis. In one fleet the rate is \$22 a week plus 20 cents a mile; in the other fleet it is nine cents a mile plus \$25 a month.

In reimbursing an employee for business use of a personal car when an assigned fleet car is not in operation, every fleet uses a straight mileage method of payment. In 24 fleets the rate is 20 cents a mile; in 11 fleets the rate is 20½ cents, while in two fleets each the rate is 18 and 18½ cents a mile. One fleet each reimburses the employee at these rates: 16 cents a mile, 17, 19, 21, 21½, 22, 23, and 26 cents a mile.

4) Compensation for Loss of Car

Twenty-one fleets in the Insurance Group make a one-time cash payment to compensate an employee for loss of eligibility for a company-assigned car. In six fleets the payment is \$1,500; four fleets pay \$2,000; two fleets each pay \$1,600; \$1,800; and \$2,500. One fleet each pays the employee \$1,000, \$1,200 and \$7,500. One fleet gives the employee \$2,000 when the car is re-assigned and another \$1,000 a year later if the employee is still working for the company. The payment by another company is two-thirds of a month's salary.

One fleet permits the employee to keep the car until its scheduled replacement; then offers to sell it with a three year interest free loan. Another company offers the employee three options: continue using the car for six months; lease the car at the company's current rate for a year, or get a cash bonus.

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Personal Use Survey Results

(Continued from page 20)

Thirteen fleets offer to sell the car to the employee. The price at which the company will sell the car includes: in four fleets, AMR; in three fleets, the wholesale value; in two fleets each, AMR less 15 percent and "book value." Other prices are Blue Book less \$200; ½ market value; 90 percent of AMR less mileage; NADA wholesale, or AMR or book value, whichever is higher.

Manufacturing-Consumer Group

1) Personal Use Policies

The Manufacturing Consumer Group consists of 40 fleets operating 20,142 passenger cars (6,389 company-owned, 13,753 leased). Every fleet in the group permits personal use of the company provided car after working hours, on weekends and holidays, and for vacation travel. Personal use amounts to 18 percent of the total mileage driven by these fleets.

Four fleets place some limitations on personal use. They include 600 free miles for vacation travel and then a 10 cent a mile charge; 200 miles a month; use only within a 350-mile radius of the division point. One fleet says personal use must be "reasonable."

Thirty-two of the 40 fleets in the group charge for the personal use of the company car. Ten fleets have a personal mileage charge; 18 have a flat weekly or monthly charge, while one uses a combination of both methods. The mileage charges in two fleets each are 10 and 11 cents a mile. One fleet each charges 12, 13, 14, 20, and 20½ cents a mile. Another fleet that charges 20 cents a mile deducts 13 cents from the employee's expense account and adds seven cents a mile to his W-2 form as additional income. The one fleet using a combination charge sets it at 10 cents a mile plus \$21 a month.

"When an employee is required to use a personal car because the company car is not operating, 20 fleets in the Manufacturing-Consumer Group reimburses the employee at 20 cents a mile..."

Among the fleets with a flat chargeback rate, three each charge \$30 and \$40 a month. Two fleets charge \$45 a month. Other monthly charges include (in one fleet each): \$20, \$25, \$33, \$50, and \$150 a month. Weekly charges (in one fleet each) are: \$3, \$10, \$11, and \$11.50.

Four fleets reported they increased their personal use chargebacks in 1984; a number of others said they plan to raise them in 1985.

Of the 32 fleets that charge for personal use, 15 collect the chargeback through an expense report deduction; 12 collect it through a salary deduction, while five use other methods. Four of these five fleets add the personal use chargeback to the

employee's income on the W-2 form at the end of the year; the fifth fleet requires the employee to pay for such use by personal check.

Four fleets in the Manufacturing-Consumer Group permit only the employee to drive the company car. The other 36 fleets permit both the employee and spouse to use the car, while 19 extend the driving privilege to children of the employee. Four fleets permit personal use by "others" in the same household.

Nineteen fleets have a minimum age requirement for use of the company car. In seven fleets the minimum age is 21; in four fleets each it is 18 and 25 years. One fleet only requires the driver to be "licensed" and in another the minimum age is set at 16.

"When an employee is no longer eligible for a company car, four fleets in the Manufacturing-Consumer Group make a one time cash payment as reimbursement for loss of the car."

A portion of the repair costs resulting from accidents that occur during personal use is borne by the employee in 13 fleets. Four of them have a fixed dollar amount ranging from a low of \$50 to a high of \$350. In nine fleets the employee's share of the repair costs is the "insurance deductible" which ranges from a low of \$100 to a high of \$500, with \$250 being the most commonly cited amount charged to the employee.

2) Car Assignment

In response to the question "what factors govern the assignment of company cars," 11 fleets said "mileage driven;" 29 said "job title," while 10 mentioned "fringe benefit." The number of responses is higher than the number of fleets in the group because several fleets indicated that more than one factor is considered.

Of the 11 fleets citing mileage driven, three set the minimum business miles at 15,000 a year, while two each say it is 10,000, 18,000, and 20,000 miles. In one fleet the requirement is 16,900 miles a year, while in the other it is 30,000 business miles.

3) Business Use of Personal Cars

There are two situations that may exist in reimbursing employees for business use of a personal car — no assigned company car, or the assigned car is not in operation.

When there is no assigned company car, 29 fleets in the Manufacturing-Consumer Group reimburse the employee for use of the personal car on a straight mileage basis. Fifteen fleets pay 20 cents a mile; six pay 20½ cents a mile. Two fleets pay the employee 22½ cents a mile, while one each reimburses at the rate of 15, 18, 22, 32, and 33 cents a mile.

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Personal Use Survey Results

(Continued from page 22)

Three fleets in the group reimburse the employee on a cash payment and mileage basis. One fleet each pays 10 cents a mile and \$155 a month; 12½ cents plus \$330 a month; 14 cents a mile and \$240 a month. One fleet pays a flat rate of \$350 a month.

When an employee is required to use a personal car because the company car is not operating, 20 fleets reimburse the employee at 20 cents a mile; five pay 20½ cents a mile. Other rates are (in one fleet each): 10 cents, 18, 19, 22, 22½, 24, 25, and 33 cents a mile.

One fleet pays the employee 32 cents a mile for the first 900 miles driven, then 18 cents for the remaining mileage. Another fleet pays 14 cents a mile plus \$250 a month.

4) Compensation for Loss of Car

When an employee is no longer eligible for a company car, four fleets in the Manufacturing-

Consumer Group make a one time cash payment as reimbursement for loss of the car. The payments are \$2,000, \$3,000, \$4,500, and \$5,500.

Six fleets in the group offer to sell the car the employee is driving. Two will sell it at "fair market value," while one each set the price at 75 percent of wholesale, book value, 90 percent of AMR, and wholesale. In addition, one fleet says it allows the employee to keep the car for six months to a year, while one other fleet says the "employee can keep the car."

Manufacturing-Industrial Group

The Manufacturing-Industrial Group consists of 63 fleets operating 58,625 passenger cars (14,283 company-owned, 44,342 leased). According to the participating fleets, personal use accounts for 18 percent of the total mileage driven in a year.

1) Personal Use Policies

Sixty-two of the 63 fleets in the group permit personal use of the company-provided car after

PERSONAL USE SURVEY SUMMARY

	Insurance (59)		Food & Beverage (38)		Drug & Cosmetics (42)		Mfg. Industrial (63)		Mfg. Consumer (40)		Chemical & Petroleum (33)		Others (32)		U.S. Comm. (307)		Public Utility (21)		Government (32)		Canada (47)	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Personal Use Permitted	58	1	38	—	42	—	62	1	40	—	31	2	30	2	301	6	10	11	11	21	45	2
After Work	57	1	38	—	42	—	62	—	40	—	31	—	30	—	300	1	9	1	10	1	45	—
Weekends	56	2	38	—	42	—	62	—	40	—	30	1	28	2	296	5	9	1	6	5	45	—
Vacations	54	4	37	1	41	1	60	2	40	—	24	7	27	3	283	18	5	5	1	10	44	1
Limits on Personal Use	10	48	5	33	—	42	7	55	4	36	2	29	3	27	31	270	3	7	4	7	7	38
Charge For Personal Use	56	2	34	4	41	1	56	6	32	8	27	4	25	5	271	30	10	—	5	6	32	13
Mileage Charge	20	—	9	—	14	—	20	—	10	—	12	—	9	—	94	—	3	—	5	—	6	—
Flat Rate	21	—	18	—	19	—	26	—	18	—	12	—	6	—	120	—	5	—	—	—	19	—
Both or Other	13	—	7	—	8	—	8	—	1	—	2	—	10	—	49	—	2	—	—	—	7	—
Charge Collected By:																						
Expense Report	28	—	9	—	22	—	27	—	15	—	12	—	11	—	124	—	1	—	—	—	9	—
Salary Deduction	17	—	19	—	12	—	21	—	12	—	8	—	8	—	97	—	6	—	1	—	17	—
Both or Other	11	—	6	—	7	—	6	—	5	—	6	—	6	—	47	—	3	—	4	—	6	—
Use Permitted by:																						
Employee Only	4	—	2	—	—	—	2	—	4	—	3	—	5	—	20	—	6	—	11	—	—	—
Employee & Spouse	54	—	36	—	42	—	60	—	36	—	26	—	25	—	279	—	4	—	—	—	45	—
Employee & Children	24	—	20	—	29	—	30	—	19	—	12	—	14	—	148	—	3	—	—	—	32	—
Employee & Others	6	—	4	—	7	—	4	—	4	—	1	—	2	—	28	—	—	—	—	—	4	—
Age Limits Set	11	46	15	23	14	28	32	30	19	21	5	24	12	18	108	190	2	8	—	11	20	24
Repair Costs Paid For																						
By Employee	22	36	16	22	17	25	28	32	13	27	9	20	12	18	117	180	1	9	—	11	23	22
Full Amount	1	—	1	—	1	—	1	—	—	—	2	—	—	—	6	—	—	—	—	—	—	—
Fixed Share	—	—	—	—	2	—	—	—	—	—	—	—	—	—	2	—	—	—	—	—	1	—
Dollar Amount	11	—	6	—	6	—	12	—	4	—	3	—	4	—	46	—	—	—	—	—	6	—
Insurance Deductible	10	—	9	—	7	—	14	—	9	—	4	—	8	—	61	—	1	—	—	—	16	—
Accident Charged	30	27	23	15	21	21	33	28	18	22	9	20	13	17	147	150	5	5	2	9	18	27
Increased Charge in 1984	16	36	10	23	7	35	14	39	4	24	2	22	2	23	55	202	—	9	—	5	4	28

working hours, on weekends and holidays. Two fleets do not permit personal use for vacation travel.

Seven fleets place specific limitations on personal use. In two fleets the limit is 20 percent of the total mileage driven; in another fleet personal use must be less than 50 percent of total use. Three of the fleets limit use on vacations; the limits are 300, 1,000, and 2,500 miles.

Seven fleets in the group do not charge for personal use; 56 do require a chargeback. Twenty fleets use a straight mileage charge; 26 have a flat weekly or monthly use charge, while eight have a combination of mileage and flat rate chargeback policy.

"Sixty-two of the 63 fleets in the Manufacturing-Industrial Group permit personal use of the company-provided car after working hours, on weekends and holidays."

Among the fleets with a mileage charge; three each set it at 10, 12, and 14 cents a mile. Two fleets charge 11 cents a mile, while one fleet each has these charges: 8, 9, 13, 18, 18½, and 20½ cents a mile. One fleet charges 8, 10, or 12 cents a mile depending on size of car driven.

Five of the fleets with a flat monthly rate charge \$35 a month; three fleets each charge \$25, \$30, \$40, and \$50 a month. Other monthly charges (each by one fleet) are: \$55, \$75, and \$80 for a four-cylinder car, \$100 for a six-cylinder car. Weekly charges (each by one fleet) are \$5, \$12, \$13, and \$18. One fleet charges \$570 a year for personal use of the company car.

Eight fleets employ a combination of mileage and flat rate for personal use chargeback. They are (each by one fleet): five cents a mile with a \$50 minimum per month, or one-half of one percent of the car's capitalized cost; fuel plus \$50 a month; 10 cents a mile and \$25 a month; 17 cents a mile and either \$45 or \$55 a month; seven cents a mile plus \$55 a month for vacations; 14 cents a mile over 1,000 a month plus \$115 a month; eight cents a mile and \$34 a month, and \$40 a month plus three cents a mile for each cylinder in the car's engine.

Twenty-seven fleets in the group collect the personal use chargeback through an expense report deduction; twenty-one have a salary deduction program, while six add the personal use charge to the employee's W-2 form as additional income.

Two fleets restrict personal use to the employee alone; the remaining 60 fleets permitting personal use say both the employee and spouse can drive the company car. In addition, 30 fleets permit licensed children to use the car, and four fleets extend the driving privilege to "others" living in the same household as the employee.

Thirty-three fleets have a minimum age requirement before personal use is permitted. In 12 fleets

it is 21 years of age; in nine fleets each it is 18 and 25. One fleet each sets the minimum at 19 and 20, while one fleet has a minimum age of 21 for females and 25 for males.

In 28 fleets some portion of the repair cost resulting from an accident during personal use is charged to the employee. One fleet charges the full amount; 12 have a specific dollar amount that ranges from a low of \$100 to a high of \$1,000, with \$100 and \$250 being the most frequent. Fourteen fleets charge the "insurance deductible" to the operator. The range in this category is from a low of \$50 to a high of \$1,000; \$250 is the most often cited figure.

Thirty-three fleets charge the employee with an accident if another person was driving the company car when the accident occurred.

2) Car Assignment

In responding to the question, "What factors govern assignment of a company provided car?" 27 fleets report business mileage as the dominant factor; 52 said it is "job title," while 12 cite "fringe benefit." One fleet says "economic justification" determines car assignment, while another requires a minimum of one year on the job. There are more responses than participating fleets because of multiple answers by a number of fleet managers.

Among the fleets citing business mileage, 10 use 15,000 miles a year as a criterion; six set the level at

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Personal Use Survey Results

(Continued from page 25)

10,000 miles a year. In three fleets the minimum is 18,000, while in two fleets it is 12,000 miles. One fleet each sets the minimum requirement at 6,000 miles a year, 13,000, 14,000, 17,000, 20,000, and 22,000 business miles a year.

3) Business Use of Personal Cars

In reimbursing an employee for business use of a personal car when there is no assigned company car, 28 fleets pay the employee 20 cents a mile. Seven fleets pay 20½ cents a mile; four pay 21 cents. One fleet each pays 17, 18, 22, and 32 cents a mile for such use.

Seven fleets employ a mileage rate and fixed payment scale to reimburse the employee. The rates are (in one fleet each): nine cents a mile and \$55 a week; nine and half cents a mile plus \$325 a month; 10 cents a mile and \$175 a month; eight cents a mile and \$180 a month; 20 cents a mile and \$325 a month; eight and a half cents a mile and \$270 a month, and 10 cents a mile plus \$200 a month. Two fleets reimburse the driver on a graduated or sliding mileage scale. The rates are 20 cents a mile for the first 1,500 miles a month, then 11 cents a mile, and 21 cents a mile for the first 1,250 miles, then 10 cents a mile.

"Two fleets in the Manufacturing-Industrial Group restrict personal use to the employee alone; the remaining 60 fleets permitting personal use say both the employee and spouse can drive the company car."

When an assigned fleet car is not in service, every fleet but one reimburses the employee for use of a personal car on a straight mileage basis. In 36 fleets the rate is 20 cents a mile; in nine fleets it is 20½ cents a mile; four fleets pay 21 cents. One fleet each pays 9½, 17, 18, 18½, 22, and 22½ cents a mile. The one fleet with a sliding scale pays the employee 20 cents a mile for the first 1,250 miles then 10 cents a mile thereafter.

4) Compensation for Loss of Car

Only three fleets in the Manufacturing-Industrial Group make a one-time cash payment to an employee who, because of transfer or reassignment, is no longer eligible for a company car. One company will pay the value of the car or buy it and give it to the employee; another makes a payment equal to one-third the value of the car, while the third makes an allowance for use of public transportation. In New York and Chicago the allowance is \$250 a month.

However, 24 fleets are willing to sell the company car to an employee who is no longer eligible for car assignment. Five fleets set the price at

What's In Store for March

The March issue of *NAFA Bulletin* will carry the personal use survey results for the public utility, government and Canadian groups.

It will provide you with information on the four fleet management areas: 1) personal use of company-provided vehicles; 2) criteria for assignment of company cars; 3) reimbursement for use of personally owned cars for business, and 4) compensation or sale of cars to employees who no longer qualify for a company-provided vehicle.

"wholesale value;" four sell it at "book value." AMR is the pricing guide in a number of fleets — in two the AMR quote is the price charged; another says "AMR clean," also mentioned are "discounted AMR," "85 percent of AMR fair," "at AMR if car is surplus." In addition to those fleets that sell the car at wholesale, others mention these: "below wholesale," "wholesale less \$200," and "90 percent of wholesale." Other prices asked include "buy out price from leasing company," "depreciated value," and in two fleets "fair market value."

Miscellaneous Group

The Miscellaneous or Other Group consists of 32 fleets who do not fall within any of the other specific industry classifications. These fleets operate 11,922 passenger cars (2,604 company-owned, 9,318 leased). Personal use of the company car amounts to slightly more than 19 percent of the total number of miles driven.

1) Personal Use Policies

Thirty fleets in this group permit personal use of the company car; two do not. Two fleets do not permit personal use on weekends and holidays, and three fleets do not authorize use of the car for vacation travel.

Three fleets report having limitations on personal use. One did not specify the limitation, one says it is 3,600 miles a year, another requires the operator to pay for gas and oil (in addition to the regular chargeback) for trips of more than 200 miles.

Twenty-five of the 30 fleets have a regular personal use chargeback system; five do not charge for the personal use. Nine fleets have a straight mileage charge; six have a flat weekly or monthly charge, while 10 use a combination of charges.

In the fleets with a mileage charge, two set it at 11 cents a mile. In the others the charge is 9, 10, 15½, 17, 18, and 20½ cents a mile. Three fleets charge \$25 a month; two charge \$50 a month, and one fleet charges \$15 a week for personal use.

Two fleets charge \$50 a month and 10 cents a mile. Other fleets have these chargeback rates: \$30.30 a month plus six cents a mile; \$32 a month and 12 cents a mile; \$20 a month and nine cents a mile; \$20 a month plus 10 cents a mile; \$15 a month and five cents a mile. One fleet charges \$60 a month plus 20 cents a mile over 300 miles a month. One other fleet charges its employees three-fourths of the monthly lease rate plus \$40 a month.

Eleven fleets collect the personal use chargeback through an expense report deduction; eight fleets deduct the charge from the employee's salary. Five fleets add the charge to the employee's income statement (the W-2 form) at the end of the year. One fleet gives the employee a separate W-2 form covering the additional income.

"Every fleet in the Miscellaneous Group reimburses its employees for business use of a personal car (when the assigned fleet car is not in operation) on a mileage basis."

A minimum age requirement for driving privileges is set by 12 fleets. In four fleets it is 18; in three fleets it is 21. Two fleets merely require that the operator "be licensed," while one fleet each sets the minimum age at 23 and 25.

Five fleets restrict use of the company car to the employee only; the other 25 permitting personal use allow driving by both the employee and spouse. Fourteen fleets permit children to use the car, and six extend the driving privilege to "others" in the same household.

Twelve fleets charge a portion of repair costs resulting from accidents occurring during personal use. Four of the 12 assess a specific dollar amount; in one fleet it is \$50; in the other three it is \$100. Eight fleets charge the employee the "insurance deductible," most frequently \$250, although one fleet does charge \$250 for collision and \$150 for comprehensive.

2) Car Assignment

In response to the question, "what factors govern assignment of company provided cars?" eight fleets say mileage driven; 24 say "job title," while 10 mention "fringe benefit" as a factor. The number of responses to the question is more than the number of fleets in the group because of multiple answers.

Of the fleets with a business mileage requirement for company car assignment, three set it at 15,000 miles a year; two at 10,000, and one each at 6,000, 12,000, and 26,000 business miles a year.

3) Business Use of Personal Cars

When an employee uses a personal car for business (when there is no assigned company car) all but three fleets in this group reimburse on a straight mileage basis. In 10 fleets the rate is 20 cents a mile; in five fleets it is 20½; in two fleets it is

19 cents a mile. One fleet each pays at these rates: 12 cents a mile, 15, 19, 21, 22, and 30 cents a mile.

Three fleets pay a combination flat rate and mileage to the employee. The payments are \$150 a month and 10 cents a mile; \$150 a month plus 9½ cents a mile, and \$180 a month plus 8½ cents a mile.

Every fleet reimburses its employees for business use of a personal car (when the assigned fleet car is not in operation) on a mileage basis. Nine pay 20 cents a mile; six pay 20½ cents, while two pay 19 cents a mile. Other rates include 12 cents a mile, 15, 18½, 21, 22, and 28 cents a mile.

4) Compensation for Loss of Car

Ten fleets in the group make a one time cash payment to employees who, because of transfer or reassignment, are no longer eligible for a company car. In two fleets the payment is \$3,000. In one fleet each the payment is \$1,100, \$2,000, \$2,500, \$2,800, \$3,500, and \$4,000. One fleet pays the employee the "AMR value of a one year old car similar to the one driven." Another fleet says the payment "depends on job level."

Eight fleets in the group offer to sell the car to the employee. Each fleet uses a separate pricing formula for such sale. They include wholesale or residual value, whichever is higher; 90 percent of wholesale; wholesale; 90 percent of AMR less mileage; AMR, clean less mileage; AMR less five percent less mileage; dealer appraisal and book value plus \$200.■

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Bulletin

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March 1985

***When Is
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NAFA's Annual Used Car Marketing Survey:

Average Service Life Is Leased Cars Replaced

NAFA Exclusive

A total of 216 NAFA members, responsible for 147,281 passenger cars, participated in NAFA's 1984 used car marketing survey. In order to provide a realistic understanding of their replacement cycling policies and used car marketing methods, the survey responses are divided into four general categories —U.S. commercial fleets, public utility, government, and Canadian fleets.

There are 143 fleets with 101,030 passenger cars in the U.S. commercial fleet segment. Their cars are kept in service an average of 30.2 months and driven an average of 57,732 miles before replacement.

These fleets marketed 32 percent of their cars in 1984. Three percent were 1980 or earlier models; 30 percent were 1981 models; 42 percent were 1982 models; 18 percent were 1983 models, and seven percent were 1984 models, or one year old cars.

Thirty-two percent of the group's cars were sold to employees; 26 percent at auctions; 25 percent to wholesalers; nine percent to used car dealers, and eight percent were traded to new car dealers.

Company-Owned Cars Kept Longer

Where a valid comparison could be made, it is apparent that leased cars are kept for a shorter time and driven fewer miles than company-owned cars. The figures are 29.4 months and 56,471 miles for leased cars, compared to 36.5 months and 62,221 miles for company-owned cars.

The public utility fleets keep their cars the longest. The average service life is 68.1 months and are driven 74,866 miles before replacement. The 15 fleets in the group replaced only 18 percent of their cars in 1984. The 27 government fleets represented in the survey keep their cars an average of 57.1

months and drive them 81,137 miles before replacement.

The Canadian segment of the 1984 survey consists of 31 fleets operating 7,483 cars. The Canadian fleets keep their cars in service 30.8 months and drive them 90,685 kilometers (56,225 miles) before replacement.

U.S. Commercial Fleet Segment

Manufacturing-Industrial Group

The Manufacturing-Industrial Group consists of 23 fleets operating 12,318 passenger cars (2,002 company-owned, 10,316 leased). In 1984 the fleets in this group sold 3,194 used cars, 28 percent of the vehicles in service at the beginning of the year.

Fifteen percent of the cars sold were 1981 model year cars; 69 percent were 1982 models; 15 percent were 1983 models, and one percent were 1984 model year cars.

When marketing their used cars, the fleets in the group sold 32 percent of their cars to employees; 36 percent to wholesalers, 13 percent to used car dealers, 18 percent to auctions, and one percent were sold or traded to new car dealers.

The average in-service life of the cars in the Manufacturing-Industrial Group was 31.1 months. On average, the cars had been driven 62,880 miles when sold.

In most of the fleets in this group, the responsibility for used car marketing was split between the lessor and fleet manager. In one fleet each, the fleet manager, the company car operator and the field office were also involved in used car marketing.

When setting a price of sale of a used car to employees, AMR price guides are the most widely

30.2 Months/57,732 Miles; Sooner than Company-Owned

used (by at least eight fleets). Three fleets rely on NADA or Black Book as a guide, while a number of fleets use the undepreciated book value as the basis for setting the price to employees.

The most frequently mentioned replacement cycle for 1984 was 36 months/55,000 miles (six fleets). Two fleets used 36 months or 75,000 miles as their replacement cycle. Other time and mileage cycles mentioned were 24 months/55,000 miles; 26 months/70,000 miles; 60 months/65,000 miles; 36 months/50,000 miles; 48 months/62,000 miles; 48 months/70,000 miles; 40 months/68,000 miles; 36 months/70,000 miles, 36 months/60,000 miles. One fleet said its cycle ranged from 18 to 40 months and 50,000 to 70,000 miles. Two fleets base their replacement solely on time in service — 25 and 26 months; while one other fleet reported that it replaces its cars at 50,000 miles.

"The average in-service life of the cars in the Manufacturing-Industrial Group was 31.1 months. On average, the cars had been driven 62,880 miles when sold."

Six fleets in the Manufacturing-Industrial Group reported they are planning to change their replacement cycle in 1985. Five will shorten service life with these changes: from 36 months/75,000 miles to 30 months/65,000 miles; 48 months/70,000 miles to 48 months/60,000 miles; 40 months/68,000 miles to 37 months/55,000 miles maximum; 36 months/70,000 miles to 36 months/60,000 miles; 26 to 24 months. One fleet reported it

will change from a 36-month cycle to a 24-month cycle in 1986. One fleet is planning to increase the service life of its cars — from 36 months/55,000 miles to 36 months/75,000 miles.

Six fleets in the group reported they do some reconditioning before marketing their used cars. As a rule, this work consists of clean-up, tires, and interiors. The remaining fleets sell their used cars "as is."

Manufacturing-Consumer Group

The Manufacturing-Consumer Group consists of 21 fleets operating 19,914 passenger cars (10,440 company-owned, 9,474 leased). In 1984 the fleets in this group sold 6,670 used cars. Forty-one percent of the cars sold were 1981 model cars; 45 percent were 1982 model units; 12 percent were 1983 cars, while one percent each were 1980 or older cars and 1984 model year cars.

Among the predominantly leased fleets, 46 percent of the used car sales were to employees, 14 percent were to wholesalers, 39 percent to auctions, and less than one-half of one percent were sold to used car dealers and new car dealers.

Majority of Cars Sold to Employees

Among the company-owned fleets, 47 percent of the used cars were sold to employees, 20 percent were sold to wholesalers, 31 percent were consigned to auctions. One percent each were sold to used car dealers and traded to new car dealers.

According to the survey responses, cars in leased fleets had an average service life of 31.4 months and had been driven 58,309 miles when sold. In company-owned fleets, the average service life was 37.6 months and 67,500 miles when sold.

In most fleets with leased cars, the responsibility

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Used Car Marketing Survey

(Continued from page 9)

for used car marketing was shared by the fleet manager and leasing company. One fleet received help in selling used cars from its field offices. Among the company-owned fleets, the marketing of used cars was handled by the fleet manager, except for one fleet that employed a fleet management service.

When determining the price of used cars sold to employees, three fleets base the price on NADA and AMR values; six rely on AMR quotes, while other fleets base it on the car's book value, its condition, market value, and quotes from leasing companies.

3 Years/55,000 Miles — Most Common Cycle

At the present time the most frequently used replacement cycle in this group is 36 months/55,000 miles (five fleets). Three fleets use a 36 months/60,000 mile cycle; four use a 36 months/50,000 mile service life. Other time and mileage replacement cycles include 36 months/65,000 miles; 24 months/55,000 miles; 24 months/60,000 miles; two fleets have a 48 month/100,000 mile cycle; one fleet uses a 48 month/70,000 mile replacement policy. Two fleets in the group base their replacement cycle on mileage only. In both fleets it is 60,000 miles.

"Five fleets in the Manufacturing-Consumer Group report they do some reconditioning before selling their used cars... the work is generally cosmetic, costing less than \$150."

Six fleets in the group plan to change their replacement policy in 1985. Two fleets are switching from 36 months/60,000 miles to 36 months/55,000 miles. One fleet is switching from 36 months/55,000 miles to 27 months. Two fleets with mileage only policies are shortening their cycles, one from 70,000 to 55,000 miles; the other from 60,000 to 50,000 miles. One fleet is lengthening its replacement cycle from 48 months/100,000 miles to 60 months/125,000 miles.

Five fleets in the group report they do some reconditioning before selling their used cars. In the words of one NAFA member, the work is generally "cosmetic, costing less than \$150." The other fleets in the group sell their cars "as is."

Insurance Group

The Insurance Group participating in the Used Car Marketing Survey consists of 29 fleets operating 23,125 passenger cars (13,930 company-owned, 9,195 leased). In 1984 the fleets in the group sold 8,337 cars, or 36 percent of the vehicles in operation at the start of the year.

Survey Highlights

- U.S. Commercial Fleets keep their cars in service an average of 30.2 months and are driven an average of 57,732 miles before replacement.
- Leased cars are kept for a shorter time and driven fewer miles than company-owned cars.
- The Public Utility fleets keep their cars the longest. The average service life is 68.1 months and they drive them 74,866 miles before replacement.

Of the vehicles sold in 1984, three percent were 1980 or earlier models; 35 percent were 1981 models; 36 percent were 1982 models; 22 percent were 1983 models, and four percent were 1984 model year cars.

Among the members in the Insurance Group with predominantly leased cars, 19 percent of the used cars were sold to employees; 10 percent were sold to wholesalers; three percent to used car dealers; 68 percent were consigned to auctions. No fleet sold or traded cars to new car dealers.

In company-owned fleets, 33 percent of the used cars were sold to employees, 10 percent were sold to wholesalers; 10 percent to used car dealers; 15 percent were consigned to auctions, and 32 percent were sold or traded to new car dealers.

According to the survey responses, leased fleets kept their cars in service an average of 30 months and drove the cars 54,000 miles before replacement. In company-owned fleets, the average service life was 30.7 months and 58,700 miles.

Who is Responsible for Used Cars?

In answering the question, "who is responsible for the sale of used cars?" fleet managers of leased fleets replied almost equally that it was divided between the fleet manager and the lessor. Among the company-owned fleets, in all but three fleets, the sale of used cars is handled exclusively by the fleet manager. In two fleets a management service assumes some of the responsibility, and one fleet asks its field office to handle some of the used car sales.

When setting the price of a used car to be sold to an employee, 11 fleets base it on AMR listings with various deductions. Seven fleets use NADA and Blue Book values as their guides. Other fleets rely on their leasing companies or management service in setting the used car price for employees.

The majority of fleets in the group use a replacement cycle based on months in service and/or mileage driven. Four fleets use 36 months/60,000 miles; three fleets each use 36 months/55,000 miles and 30 months/60,000 miles; three use 36 months/

50,000 miles. Two fleets have a replacement cycle of 24 months/50,000 miles. Other cycles in use include: 48 months/65,000 miles; 18 months/47,000 to 60,000 miles; 24 months/42,000 miles; 48 months/60,000 miles; 48 months/100,000 miles; 27 months/55,000 miles, and 12 months/25,000 miles or 24 months/40,000 miles. Three fleets base replacement solely on miles driven. In these fleets it is: 48,500 miles, 50,000, but never over 60,000 miles and 75,000 miles.

Seven fleets in the Insurance Group plan to change their replacement cycle in 1985. Two are increasing it; one from 48 months/65,000 miles to 60 months/65,000 miles and 24 months/50,000 miles to 36 months/60,000 miles. The other five fleets are shortening the cycle: 36 months/55,000 miles to 27 months/55,000 miles; 36 months/60,000 miles to 36 months/50,000 miles; 50,000 miles to 24 months/40,000 miles; 36 months/60,000 miles to 36 months/55,000 miles, and 36 months/60,000 miles to 24 months.

Six fleets in the Insurance Group do some reconditioning on their used cars before marketing them; the remaining fleets in the group sell used cars "as is."

Chemical & Petroleum Group

The Chemical and Petroleum Group consists of 18 fleets operating 6,877 passenger cars (3,625 company-owned, 3,252 leased). In 1984 these fleets sold 1,515 cars, 23 percent of their total stock at the start of the year.

"In the Chemical & Petroleum Group, the responsibility for marketing used cars in the leased fleets is almost equally divided between lessors and fleet managers."

Twelve percent of the cars sold in 1984 were 1980 or older models; 50 percent were 1981 models; 31 percent were 1982 models; six percent were 1983 models, and one percent were 1984 model year cars.

Among the fleets with predominantly leased cars, 43 percent of the used cars were sold to employees; 24 percent were sold to wholesalers; 18 percent were sold to used car dealers; 10 percent were consigned to auctions, and five percent were sold or traded to new car dealers.

In company-owned fleets, 11 percent of the used cars were sold to employees; 40 percent were sold to wholesalers; 21 percent went to used car dealers; 26 percent went to auctions, and two percent were traded to new car dealers.

Leased Cars Kept Less Time

Fleets operating under a lease arrangement kept their cars in service an average of 30.3 months

while driving them 60,555 miles. In company-owned fleets the average service life was 39.1 months and 71,666 miles.

The responsibility for marketing used cars in leased fleets was almost equally divided between lessors and fleet managers. In company-owned fleets the responsibility in all but two fleets rested with the fleet manager. In the other two it was shared with a management service and the company's field offices.

In six fleets AMR was the guide for setting the price of a used car being sold to an employee. NADA or "Yellow Book" was mentioned by two fleets, as was "Black Book." In seven fleets the used car price to employees is set by the fleet administrator; in at least four it is determined by the leasing company.

Popular Replacement Cycles

The most widely used replacement cycle in the Chemical & Petroleum Group is 36 months/60,000 miles (five fleets). Other replacement cycles being used (in one fleet each) include: 48 months/50,000 miles; 60 months/90,000; 48 months/80,000 miles for full size cars and 36 months/65,000 miles for mid-size cars; 36 months/100,000 miles; 36 months/65,000 to 70,000 miles; 75,000 to 80,000 miles; 100,000 miles; 60 months/70,000 miles; 36 months/35,000 miles, and 50,000 miles.

(Continued on page 12)

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Used Car Marketing Survey

(Continued from page 11)

Three fleets in the group are planning to change their replacement policies during 1985. One fleet is moving from a five year/80,000 mile policy to 4 years/80,000 miles; another is switching from 48 months/80,000 miles to 36 months/60,000 miles. The third is shifting from 40 months/80,000 miles to 40 months/60,000 miles.

Three fleets in the Chemical & Petroleum Group recondition their cars before putting them on the market. All three said "only minor work" was done. The other fleets in the group sell used cars in an "as is" condition.

Drug & Cosmetics Group

The Drug & Cosmetics Group consists of 17 fleets operating 15,045 passenger cars (1,114 company-owned, 13,931 leased). In 1984 these fleets sold 5,743 used cars, 38 percent of their total stock at the start of the year.

Ten percent of the cars sold in 1984 were 1981 models; 62 percent were 1982 models; 22 percent were 1983 models, and six percent were 1984 model years cars (one year old).

Of the cars sold in 1984, 31 percent were marketed to employees; 39 percent were sold to wholesalers; 13 percent went to used car dealers, and 17 percent were consigned to auctions. No fleet in the group sold or traded any cars to new car dealers.

In the Drug & Cosmetics Group, responsibility for marketing used cars is divided almost equally between the fleet manager and lessor.

The cars in the group are kept in service an average of 27.1 months and driven 58,117 miles before being sold.

AMR Used As Guideline

When determining the price of a car being sold to an employee, six fleets use AMR, with some varia-

tions, as their guide. Two fleets base the price on the undepreciated book value. One fleet sells the used car at the depreciated value, if it is a one year old car, adds \$250 to value for a two year old car, and \$500 for a three year old car. In five fleets the used car price to employees is not set by the leasing company.

Six fleets in the group have a replacement policy of 36 months/55,000 miles. Four use a cycle of 36 months or 60,000 miles, while two fleets use a 24 months/50,000 mile cycle. Other policies mentioned by fleets in the Drug & Cosmetic Group include: 37 months/75,000 miles; 48 months/62,000 miles; 36 months/70,000 miles; 36 months/50,000 miles. One fleet replaces its cars every 26 months regardless of mileage.

Three fleets plan to change their replacement cycle policy in 1985. All are either shortening the time or decreasing the mileage driven. The changes are 37 months/75,000 miles to 25 months/60,000 miles; 36 months/55,000 miles to 36 months/50,000 miles, and 28 months/55,000 miles to 24 months/45,000 miles.

No fleet in this group reconditions its used cars before placing them on the market. All fleets set their used cars "as is."

Food & Beverage Group

The Food & Beverage Group consists of 14 fleets operating 8,856 passenger cars (3,976 company-owned, 4,880 leased). The fleets in the group sold 3,364 cars in 1984, 38 percent of the number they had in service at the start of the year.

Of the cars sold in 1984, 22 percent were 1981 models; 67 percent were 1982 models; 10 percent were 1983 models, and one percent were 1984 model year (one-year-old) cars.

"When selling cars to employees, six fleets in the Food & Beverage Group base their used car price on AMR with variations for mileage and condition."

(Editor's note: These percentages and those that follow giving details of used car marketing methods employed by the group omit one large fleet that trades most of its cars on a one-year cycle to new car dealers.)

Among leased fleets, 26 percent of the cars sold in 1984 went to employees; 31 percent were sold to wholesalers; one percent to used car dealers, and 42 percent were consigned to auctions.

Most Sold to Employees and Wholesalers

In company-owned fleets, 43 percent of the used cars were sold to employees; 42 percent were sold to wholesalers; one percent went to used car dealers, and 13 percent were sold at auction. One percent

(Continued on page 14)

Composite Commercial Fleet

Fleet Size	706 units
Cars Sold in 1984	226
Model Year Cars Sold	
1980 or earlier	7
1981	68
1982	95
1983	40
1984	16
Marketing Methods	
To Employees	72
Wholesalers	56
Used Car Dealers	20
Auctions	58
Trade-Ins	20

Used Car Marketing Survey

(Continued from page 12)

were traded to new car dealers, not including the fleet mentioned above.

Cars in leased fleets had an average service life of 27.7 months and 59,214 miles. Company-owned fleets kept their cars in service an average of 32.8 months and drove them 60,700 miles before replacement. The one fleet excluded from these averages keeps its cars an average of 12.1 months and drives them 21,900 miles before replacement.

In predominantly leased fleets, the responsibility for marketing used cars is split almost equally between the fleet administrator and leasing company. In the company-owned operations, the responsibility in all but two fleets rests with the fleet administrator except for two fleets that employ a fleet management service.

When selling cars to employees, six fleets base the used car price on AMR with variations for mileage and condition. Other fleets use the "book value," "Blue Book," wholesale prices or bids.

"One fleet in the Food & Beverage Group commented, 'we are moving towards a complete employee-owned fleet; all sales cars will be employee-owned and so will some management cars.'"

In 1984 three fleets had a replacement policy of 36 months/60,000 miles. Other replacement policies reported include: 36 months/75,000 miles; 24 months/50,000 miles; 36 months/50,000 miles; 50 months/60,000 miles; 36 months/45,000 miles; 24 months/60,000 miles; 60 months/150,000 miles; 30 months/65,000 miles; 50,000 to 55,000 miles, and 65,000 miles. One fleet stated its replacement policy was "based on used car market" conditions. Another fleet commented, "we are moving towards a complete employee-owned fleet; all sales cars will be employee-owned and so will some management cars."

Three fleets in the Food & Beverage Group are planning to change their replacement policies in 1985. One will reduce its average mileage from 65,000 in 1984 to 60,000 in 1985, and to 55,000 in 1984. One fleet is moving from a 50 months/60,000 mile policy to 36 months/45,000 miles. The third fleet, which had a 36 month/60,000 mile policy, is switching to a 60,000 mile policy without consideration of months in service.

No fleet in the group reconditions its used cars before marketing them; all sell them "as is."

Banking & Financing

The Banking & Finance Group consists of seven institutions operating 854 cars (300 company-owned, 554 leased). The fleets in this new grouping sold 210 cars in 1984, 25 percent of their stock at the start of the year. Of the cars sold last year, 15

percent were 1980 or earlier models; 30 percent were 1981 models; 36 percent were 1982 models, 11 percent were 1983 models, and eight percent were 1984 or one year old cars.

Of the fleets with leased cars, 28 percent of the used cars were sold to employees; all the rest (72 percent) were sold at auctions. Company-owned fleets sold 17 percent of their used cars to employees; 20 percent to wholesalers, and 63 percent were sold at auction. No fleet sold any cars to used car dealers or traded any to new car dealers.

In response to the question of who has responsibility for marketing used cars, in leased fleets, it is the fleet manager along with the leasing company and, in one fleet, a management service. In the company-owned fleets the responsibility is given to the fleet manager (in one fleet some units are sold by field offices).

Company Cars Run 15 Months Longer

Average service life of cars in leased fleets is 27.8 months and 50,750 miles. In contrast, the service life in company-owned fleets is 42.7 months and 53,666 miles.

Two of the five fleets in this small group do not sell used cars to employees. The five that do base their price on fair market value; wholesale values, dealer appraisals, and average "Black Book" prices.

Two fleets in the group have a replacement policy of 36 months or 60,000 miles. Other policies mentioned (by one fleet each) are: 48 months/60,000 miles; 36 months/50,000 miles; 36 months; 48,000 miles, and 50,000 miles. No fleet is planning to change its replacement policy in 1985, but one fleet said it will change its policy in 1986 when it will shift from a mileage only limitation — 48,000 — to 36 months in service.

"One fleet in the Banking & Finance Group said it reconditioned its cars before placing them on the market. The work consists of minor engine repairs, transmission, brakes, front end, and accident repairs."

One fleet said it reconditioned its cars before placing them on the market. The work consists of minor engine repairs, transmission, brakes, front end, and accident repairs.

The other fleets in the group market their used cars in an "as is" condition.

Other

Every NAFA survey includes an "Other" group — those fleets that don't fall into one of the regular categories. In this group are communications, conglomerates, wholesalers, cooperatives, etc. In the Used Car Marketing survey, this group consists of

(Continued on page 16)

Used Car Marketing Survey

(Continued from page 14)

16 fleets operating 14,041 cars (12,352 company-owned, 1,689 leased).

In 1984 these fleets sold 3,131 cars, 22 percent of their total stock at the start of the year. Eight percent of the cars sold during the year were 1980 or earlier models; 21 percent were 1981 models; 56 percent were 1982 models; 13 percent were 1983 models, and two percent were 1984 model year cars.

Among the leased fleets in the group, 47 percent of their used cars were sold to employees; 12 percent to wholesalers; 36 percent were consigned to auctions, and five percent were sold to used car dealers. No cars were traded to new car dealers.

"Two of the company-owned fleets in the Miscellaneous Group use a management service to help market their used cars; in the other fleets it was the responsibility of the fleet manager."

The company-owned fleets sold 20 percent of their used cars to employees; 31 percent were sold to wholesalers, 20 percent to used car dealers; 27 percent to auctions, and one percent were traded to new car dealers.

Two of the company-owned fleets used a management service to help market their used cars; in the other fleets it was the responsibility of the fleet

manager. In the leased fleets, the used car marketing responsibility was shared by the fleet administrator and the leasing company, while two fleets in this sub-group had the operator sell some of the used cars.

Once again, leased cars were kept in service a shorter period than company-owned cars, 29.5 months for leased fleets as compared to 39.7 months for company-owned cars. Leased cars were driven an average of 56,000 miles, while company-owned cars were driven an average of 67,562 miles before replacement.

Price Based on Book Value

When determining the price of cars sold to employees, five fleets base the price on the car's book value to the corporation. Three fleets use AMR, with variations for mileage and condition, as the pricing guide. Other formulas mentioned by fleets in this group included, NADA loan value; market value; dealer "Blue Book;" leasing company quote, and "Black Book" rough.

Because the fleets in this group come from a wide range of industries there is little uniformity in their replacement policies. Two fleets use 24 months or 50,000 miles. Other policies mentioned include: 36 months/75,000 miles; 48 months/85,000 miles, 24 months/40,000 miles or 36 months/50,000 miles; 48 months/60,000 miles; 12 months/20,000 miles; 30 months/60,000 miles; 60 months/100,000 miles; 36 months/60,000 miles; 36 months/70,000 miles; 36 months/55,000 miles. One fleet has a straight 24 month policy; another 50,000 to 60,000 miles. Another fleet said its policy

NAFA's Used Car Marketing

Group	Cars In Fleet	Owned	Leased	Sold In 1984	MODEL YEARS	
					1980 and Earlier	1981
Drug & Cosmetics (17)	15,045	1,114	13,931	5,743	—	547
Insurance (29)	23,125	13,930	9,195	8,337	146	2,025
Mfg.-Industrial (21)	12,318	2,002	10,316	3,194	—	407
Mfg.-Consumers (21)	19,914	10,440	9,474	6,670	56	2,640
Food & Beverage (14)	8,856	3,976	4,880	3,364	—	372
Chemical & Petroleum (18)	6,877	3,625	3,252	1,523	177	761
Banking & Financial (7)	854	300	554	210	19	38
Other (16)	14,041	12,352	1,689	3,131	247	655
U.S. Commercial (143)	101,030	47,739	53,291	32,172*	645	7,445
Public Utility (15)	20,126	19,801	325	3,732*	547	3,120
Government (27)	18,639	18,529	110	3,189*	2,069	947
Canada (31)	7,486	3,626	3,860	1,812*	240	821

*These totals may differ from selling method totals because not everyone answered this section of the questionnaire.

was based on "use and experience — usually 55,000 miles."

Two fleets in the group are planning to change their replacement policy in 1985. One fleet is switching from 48 months/65,000 miles to 36 months/55,000 miles. The other is changing from 30 months/60,000 miles to 27 months/55,000 miles.

"When determining the price of cars sold to employees, five fleets in the Miscellaneous Group base the price on the car's book value to the corporation."

Seven fleets in the group recondition their cars before placing them on the used car market. Among the comments on reconditioning were: "mainly cosmetic, paint & body," "safety and body work," "cosmetic and maintenance," and "car must be road safe." The other fleets in the group sell their cars in an "as is" condition.

Public Utility Segment

The Public Utility Group consists of 15 fleets operating 20,126 passenger cars (19,801 company-owned, 325 leased). During 1984 these fleets sold 3,732 cars, 18.5 percent of their stock at the start of the year. Fifteen percent of the cars sold were 1980 or earlier models; 84 percent were 1981 models, and one percent were 1982 model year cars. Less than

one-half of one percent of the cars sold were 1983 or 1984 model year cars.

Three percent of the cars sold in 1984 were bought by employees. Another three percent were sold to used car dealers; one percent were sold to wholesalers, while 93 percent were sold at auction. Public Utilities use both public, private, and wholesale auctions to market their used cars.

In all Public Utility fleets the fleet manager is responsible for selling used cars. In one fleet some units are sold through a field office; in another a division office handles some used car sales.

Utility Fleets Kept Longest

Average service life of public utility fleet cars is 67.6 months. They are driven an average of 74,866 miles before replacement.

Six fleets in the Public Utility group sell used cars to their employees. In three fleets it is by sealed bid; in the others the price is based on a combination of NADA and corporate average price.

Replacement policies among Public Utility fleets vary from one fleet that said it has "no policy" to another that said it was "condition plus cost to run another year." In between, there are these specific replacement policies: 60 months/100,000 miles (two fleets); 50 months/65,000 miles; 36 months/60,000 miles; 84 months/75,000 miles; 72 months/75,000 miles; 48 months/50,000 miles; 120 months/80,000 miles; 72 months/80,000 miles; 48 months/72,000 miles; 48 months/65,000 miles, and 108 months.

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Survey Summary Results

SELLING METHODS

	1982	1983	1984	Employee	Wholesale	Used Car	Auto Auction	Trade Ins.
	3	1,245	359	1,774	2,195	745	974	—
	2,089	1,310	248	1,961	702	538	2,385	1,428
	1,927	414	39	972	1,109	395	566	16
	2,883	818	55	3,006	1,130	40	2,280	35
	1,147	163	834	824	887	26	708	825
	466	99	12	334	532	301	313	46
	46	14	10	47	22	—	141	—
	1,741	420	45	698	861	550	822	30
	10,302	4,483	1,602	9,616	7,438	2,595	8,189	2,380
	53	12	—	116	41	108	3,468	—
	146	22	5	75	—	—	3,144	—
	524	222	5	583	276	42	203	7

Used Car Marketing Survey

(Continued from page 17)

Three fleets are planning to change their replacement cycles in 1985. One fleet is switching from 72 months/75,000 miles to 24 months/30,000 miles. One is lengthening its service life from 84 months/75,000 miles to 96 months/80,000 miles in 1985, and then to 108 months/90,000 miles in 1986. One fleet reported its goal was to "get all vehicles down to six years or 100,000 miles."

Seven fleets in the group recondition their cars before putting them on the used car market. Among the comments on reconditioning were: "not at our expense, auction does some if they believe they will more than recover the cost;" "any mechanical work required to keep vehicle safe, complete painting if required, and body work," "repaint from company color," "minor body touch up on good cars, no work done on rough or high mileage units," "minor engine repairs," "safety check."

Government Segment

The Government Group consists of 27 fleets operating 18,639 passenger cars (18,529 agency-owned, 110 leased). In 1984 these agencies sold 3,189 cars, 17 percent of their units at the start of the year.

"In 1984, two percent of the cars in the Government segment were sold to employees; all of the rest were sold at auction..."

Of the cars sold in 1984, 65 percent were 1980 or older cars; 30 percent were 1981 model year cars; four percent were 1982 model year cars, and one percent were 1983 model year cars.

In 1984 two percent of the cars were sold to employees; all of the rest were sold at auction, in most cases run by the agency or by a general service administration agency. A few units were sold through wholesale auctions.

The major responsibility for marketing used cars in the Government Group rests with the fleet administration. However, general service agencies and purchasing agents often play a role in used car marketing, and one fleet employed an outside management service firm.

Average service life of government cars was 57.1 months with 81,137 miles driven before replacement.

Only two of the fleets participating in the survey sell any cars to employees. In one fleet the price is the NADA trade-in value; in the other the price is "Blue Book wholesale."

As might be expected, replacement policies are varied. Six government fleets use a base of 48

Summary of U.S. Commercial Fleets

Total Cars in Survey	
U.S. Commercial Fleets	101,030
Representative Leased Fleets	47,739
Sample of Owned Fleets	53,291
Average Months in Service	
All U.S. Commercial Fleets	30.2
Representative Leased Fleets	29.4
Sample of Owned Fleets	36.5
Average Miles When Sold	
All U.S. Commercial Fleets	57,732
Representative Leased Fleets	56,471
Sample of Owned Fleets	62,221

months in service with these differing mileage requirements — 35,000, 50,000, 60,000, 70,000, 75,000, and 170,000. Five fleets use 60 months as a base along with these mileage requirements: 70,000 miles (2 fleets), 60,000, 75,000, 65,000, 150,000. Other combination months/mileage policies are 40 months/60,000 miles; 72 months/72,000 miles, and 84 months/50,000.

Fleets with just a mileage requirement for replacement mention these figures: 50,000, 70,000, 77,000, 85,000, 90,000, and 100,000 miles. In two government fleets the replacement policies are "until the vehicle is no longer serviceable," and "cost effectiveness of repairs."

Four fleets in the Government Group are planning to change their replacement policy in 1985. The fleet with the current policy of use until no longer serviceable is changing to a 72 month/60,000 mile schedule. One fleet with a 48 month/75,000 mile policy will shift to 42 months/70,000 miles in 1985, and to 36 months/65,000 miles in 1986. Going the other way are two fleets; one keeping its life at 84 months but increasing the mileage limits from 50,000 to 55,000 in 1985 and then to 60,000 miles in 1986. The other fleet is increasing its schedule from 60 months/65,000 miles to 96 months/75,000 miles.

Eight fleets in the Government Group say they do some reconditioning before placing their cars on the used car market. The reconditioning work consists of: "repair body damage to \$250, clean and repair interior;" "minor body damage repaired;" "paint as needed;" "all safety items repaired;" "state inspection and all safety checks made;" "some painting and detail work;" "clean-up reassignment, repair accident damage, paint" and "general clean up and minor repairs."

Canadian Segment

The Canadian segment of the Used Car Marketing survey consists of 31 fleets operating 7,486

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Used Car Marketing Survey

(Continued from page 18)

passenger cars (3,626 company-owned, 3,860 leased). These fleets sold 1,812 cars in 1984, 24 percent of their total stock at the beginning of the year.

Of the cars sold in 1984, 13 percent were 1980 or older models; 45 percent were 1981 models; 29 percent were 1982 models; 12 percent were 1983 models, and less than one-half of one percent were one year old or 1984 model year cars.

Among Canadian leased fleets, 52 percent of the cars were sold to employees; 25 percent were sold to wholesalers; four percent to used car dealers; 18 percent consigned to auctions, and one percent sold or traded to new car dealers.

Most Company Cars Traded to Dealers

Among company-owned fleets, 26 percent of the cars were sold to employees; 11 percent were sold to wholesalers; five percent to used car dealers; 12 percent to auctions, and 46 percent traded to new car dealers.

In leased fleets responsibility for marketing used cars was divided between the fleet administrators and lessors. In company-owned fleets the major responsibility for used cars rests with the fleet manager, but two fleets use a field office, and one fleet has the operator sell some of its used cars.

"Of the company-owned Canadian fleets, the major responsibility for used cars rests with the fleet manager, but two fleets used a field office, and one fleet has the operator sell some of its used cars."

Average service life in leased fleets was 30.8 months and 90,685 kilometers (56,225 miles). In company-owned fleets, service life averaged 36.6 months and 104,330 kilometers (64,685 miles).

When setting the price for sale of a company car to an employee, the major pricing guide is "Black Book," mentioned by 15 fleets. Six fleets say they use the "book value" in setting a price, while base the price of the used car on its "wholesale value." In the majority of fleets, both leased and owned, the price to an employee is set by the fleet administrator.

Replacement Cycles Vary Widely

Replacement cycles for Canadian fleets vary widely. Four fleets set it at 36 months/100,000 km; two fleets each use 36 months/90,000 km and 36 months/80,000 km. Two other fleets express their cycle in months and miles — 36 months/50,000 miles and 36 months/55,000 miles. Two fleets have a flat 24-month replacement policy.

Average Months and Miles In Service

	Average Months	Average Miles
Drugs & Cosmetics (17)	27.1	58,117
Insurance (29)	30.4	57,500
Mfg.-Industrial (21)	31.1	62,890
Mfg.-Consumer (21)	32.6	59,471
Food & Beverage (14)	29.8	59,791
Chemical & Petroleum (18)	34.7	66,111
Banking & Financial	34.2	52,000
Other (16)	35.0	47,333
Public Utility (15)	67.6	74,866
Government (27)	57.1	81,137
Canada (31)	32.7	95,007 Km

Among the replacement policies mentioned by one fleet each are: 24 months/60,000 miles; 36 months/75,000 km; 36 to 42 months/85,000 to 100,000 km; 36 months/150,000 km; 36 months/96,000 km; 36 months/60,000 miles; 90,000 km; 36 to 48 months; 95,000 km; 48 months/80,000 miles; 97,000 km; 48 months/150,000 km, and, finally, in one fleet, "drive them 'til they drop."

(Note: A kilometer is .621 of a mile. 100,000 kilometers equal 62,100 miles. Responses are quoted directly from the Survey, therefore, either kilometers or miles are given.)

Ten Canadian fleets are planning to change their replacement cycle in 1985. Six fleets will shorten the cycle; four will lengthen it. Those shortening the cycle will make these changes: 36 months/150,000 km to 24 months/90,000 km; 100,000 km to 85,000 km; 36 months/100,000 km to 36 months/80,000 km; 48 months/150,000 km to 36 months/125,000 km; 35 months/130,000 km to 28 months/125,000 km, and 40 to 36 months.

The fleets lengthening their service life or mileage will make these changes: 36 months/90,000 km to 48 months/135,000 km; 36 months/80,000 km to 36 months/100,000 km; 36 months/100,000 km to 44 months/125,000 km, and 36 to 60 months.

"Ten Canadian fleets are planning to change their replacement cycle in 1985. Six fleets will shorten the cycle; four will lengthen it."

Seven Canadian fleets do some reconditioning before placing the unit on the used car market. The work is described in these terms: "complete service prior to sale if it will affect price;" "repairs recommended by safety check;" "safety, paint job over fleet colors;" "auto auction detail and safety certificate;" "whatever is necessary to make them mechanically fit;" "engine, body," and "clean up, service inspection, glass."

One fleet manager made this final comment on reconditioning: "Encourage the driver to look after the car, in the end, he's the one who buys it." ■

HLDI Reports:

U.S. Models Have Lowest Collision Repair Costs

The Highway Loss Data Institute (HLDI) is a non-profit, public service organization that gathers, processes, and publishes insurance data concerned with human and economic losses associated with motor vehicle use. The Institute's current report describes the collision coverage results of 1982

through 1984 model year passenger vehicles, vans, pickups, and utility vehicles.

The data used were supplied by thirteen insurers: Aetna, Allstate, Fireman's Fund, GEICO, Kemper, Liberty Mutual, Nationwide, Prudential, Safeco, Sentry, State Farm, Travelers, and USAA.

The principal findings of the January 1985 report by the Highway Loss Data Institute are:

- Among the high volume 1984 vehicles, the four-door Chevrolet Caprice had the best collision coverage results and the Pontiac Firebird had the worst. Among the low-volume vehicles, the Porsche 944 Coupe and Nissan 300ZX had the worst results and the Plymouth Voyager passenger van* the best.

- Collision coverage results

for 1984 models continue to show significant variations among vehicles grouped by size and body style.

- Ten of the eleven 1984 model year vehicles with the best collision coverage results were domestic models.

- Six of the ten 1984 models with the worst collision coverage results were imported.

- For 1984 models, claim frequencies, average loss payments per claim, and average loss payments per insured vehicle year all decreased with increasing

vehicle size and style groups.

- Among the vans, pickups, and utility vehicles, small utility vehicles and small pickups had the highest average loss payments per insured vehicle year and vans had the lowest.

- Ford vans had particularly good collision coverage loss results, and small pickup trucks, had particularly bad results.

Passenger Vehicles

The results for the 1984 model passenger vehicles were based on over one million insured vehicle years of exposure, those for the 1983 models on over three million insured vehicle years, and those for the 1982 models on over five million insured vehicle years. Generally, the greater the exposure associated with a result, the more confidence can be placed in it.

1984 Models During Their First Year

Table 1 summarizes the 1984 model year passenger vehicles with the best and worst collision coverage results during their first year of availability. The results are shown separately for high-volume vehicles (those with at least one percent of the total exposure for the model year) and low-volume vehicles (those with less than one percent of the exposure).

TABLE 1
Relative Average Loss Payments Per Insured Vehicle Year
For 1984 Model Year Passenger Vehicles With the Best and Worst
Collision Coverage Results*

	Best			Worst		
HIGH VOLUME (At least 1% of total exposure)	Chevrolet Caprice	4 Dr.	57	Pontiac Firebird	Sp.	174
	Oldsmobile Delta 88	4 Dr.	60	Chevrolet Camaro	Sp.	160
	Buick LeSabre	4 Dr.	71	Toyota Celica	2 Dr.	126
	Chevrolet Celebrity	4 Dr.	75	Ford Thunderbird	Sp.	118
	Toyota Camry	4 Dr.	75	Pontiac Fiero	Sp.	117
	Oldsmobile Ciera	4 Dr.	75			
LOW VOLUME (Less than 1% of total exposure)	Plymouth Voyager	P.V.	46	Porsche 944 Coupe	Sp.	239
	Oldsmobile Firenza	S.W.	48	Nissan 300ZX	Sp.	236
	Chevrolet Caprice	2 Dr.	50	BMW 318i	Sp.	212
	Dodge Caravan	P.V.	51	Volkswagen Scirocco	2 Dr.	202
	Mercury Grand Marquis	4 Dr.	57	Nissan 300ZX 2+2	Sp.	199

P.V. = Passenger Van; S.W. = Station Wagon; Sp. = Sports or Specialty
*100 represents the average for all 1984 passenger vehicles (\$153).

*A number of manufacturers introduced small vans in 1984 that are predominantly aimed at the passenger vehicle market.

The cars listed were taken from the 182 individual 1984 vehicle series that had more than 1,000 insured vehicle years of exposure. Twenty-five of those series were high-volume vehicles, each accounting for at least one percent of the total 1984 model year exposure.

Ten of the eleven vehicles with the best results were manufactured in the United States.

Among the high-volume vehicles, the four-door Chevrolet Caprice (57) had the best collision coverage results. Among the low-volume vehicles, the Pontiac Firebird (174) had the worst results.

1983 Models During Their First Two Years

The 1983 model year passenger cars with the best and worst collision coverage results during their first two years of availability were taken from the 217 individual 1983 vehicle series that had more than 1,000 insured vehicle years of exposure.

Among the high-volume vehicles, the four-door Buick LeSabre had the lowest average loss payment per insured vehicle year. All five of the high-volume vehicles with the best results were domestic models. All of the low-volume vehicles with the lowest average loss payments per insured vehicle year were also domestic models.

Most of the 1983 models with the worst collision coverage results were imported.

1982 Models During Their First Three Years

The 1982 model year passenger cars with the best and worst collision coverage results during their first three years of availability were taken from 221 individual 1982 vehicle series that had more than 1,000 insured vehicle years of exposure.

As with the 1983 models, all of the vehicles with the best experience were domestically produced and most of those with the worst results were imported models. ■

Highway Loss And Data Institute's Definitions

Average Loss Payment per Claim — The total of all loss payments made for the claims for a group of vehicles, divided by the number of claims paid; expressed as dollars per claim.

Average Loss Payment per Insured Vehicle Year — For a group of vehicles, the product of Claim Frequency and Average Loss Payment per Claim, divided by 100; expressed as dollars per insured vehicle year. It should be noted that this definition differs from the commonly used insurance term, pure premium, but yields similar results.

Claim Frequency — The number of claims for a group of vehicles, divided by the exposure for that group; expressed as claims per one hundred insured vehicle years.

Collision Coverage — As defined in insurance contracts, the coverage under which people insure their own vehicle against loss caused by collision.

Deductible Amount — That portion of the collision damage cost borne by the policyholder. For computing results, deductible amounts are split into two groups; less than \$150 (mainly \$50 and \$100 deductibles) and greater than or equal to \$150 (mainly \$200 and \$250 deductibles).

Exposure — The time interval an individual vehicle is insured. Exposure for a group of vehicles is expressed in units of insured vehicle years.

Loss Payment — That portion of the collision damage cost borne by the insurer; in general, the total collision damage cost minus the deductible amount.

Operator Age Group — The factor which distinguishes those vehicles whose rated driver is youthful from those vehicles whose rated driver is not youthful (see Youthful Operator).

Rated Driver — the driver who, for insurance purposes, is considered to represent the greatest loss potential for the insured vehicle.

Vehicle Class — There are four vehicle classes, defined as follows:

1. Passenger Vehicles — There are four major body style groupings of passenger vehicles — regular two-door models, regular four-door models, station wagons and passenger vans, and sports and specialty models. Sports and specialty models include all two-seater cars, all convertibles, all mid-size and large cars that have two-door models only, and all luxury cars. Each body style group is further divided into size class subgroups based on wheelbase (rounded to nearest inch) defined as follows:

Small — Vehicles with wheelbases less than or equal to 99 inches.

Midsized — Vehicles with wheelbases greater than 99 inches and less than or equal to 109 inches.

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Drunk Driving Penalties

(Continued from page 48)

Indiana — broadens habitual offender law; license suspension within 30 days of DWI conviction.

Iowa — increased penalties for adults and minors.

Kentucky — mandatory jail

term for injuring others in DWI accident.

Louisiana — broadens vehicular homicide law to include driving under the influence of drugs.

Maryland — BAC results admissible in court without presence of person who administered test.

Minnesota — admissibility of breathalyzer results in court;

stiffer penalties for refusal of BAC test admissible in court.

Nebraska — drinking age raised to 21.

New Jersey — added \$100 fine (revenues go to Drunk Driving Enforcement Fund).

New Mexico — per se: .10% BAC for 18 and over; .05 for under 18.

New York — returned DWI fine money to counties for anti-drunk driving programs.

Oklahoma — refusal of BAC test admissible in court; stiffer penalties; impoundment of vehicle if person found driving on a DWI-revoked license.

Rhode Island — drinking age raised to 21.

South Carolina — open container law; drinking age for beer, wine revised from 18 to 19, 5/29/84, and to 20, 1/1/85.

South Dakota — drinking age for low-point beer raised to 19.

Tennessee — raises drinking age to 21.

Utah — clarification of DWI law regarding impoundment of motor vehicle.

Vermont — pre-trial suspension established; added penalties.

Washington — increased funding for alcohol and drug abuse education; exemption for taxis from open container law; delay of effective date for administrative revocation of driver's license to 1/1/86.

Wisconsin — drinking age raised to 19; prohibition against driving under the influence of any drug; police allowed to pursue DWI offender into other jurisdiction and to request BAC test after arrest but before citation.

Wyoming — impoundment of vehicle upon DWI arrest.

●
Note: Michigan enacted a law, effective 5/29/84 banning checklanes to curb drunk drivers. DWI bills are pending in California, D.C., Massachusetts, New York, Pennsylvania and Ohio. ■

Highway Loss and Data Institute's Definitions

(Continued from page 45)

Large — Vehicles with wheelbases greater than 109 inches.

2. Vans — Fully enclosed vehicles with either no hood or a very short hood, in which the engine is placed at least 50 percent behind the windshield. The driver's position is usually well forward, nearly beside the engine, usually within the forward 25% of the wheelbase. These vehicles are designed for cargo transport and are equipped with a right side cargo access door and rear doors. The cargo area is not separated from the passenger area — both are enclosed under the same roof. Some passenger vans are equipped with additional seats in the cargo area and usually have additional side windows also.

3. Pickups — Cargo-carrying vehicles, usually on a truck chassis, with an enclosed cab and a separate open cargo area. The open cargo area generally is a box with raised sides with an opening tailgate. There are also a small number of auto pickups which are similar to regular pickups except that they are built on a passenger car chassis. Pickups are further divided into two subgroups based on curb width — small pickups (less than 3,000 pounds) and standard pickups (3,000 pounds or more).

4. Utility Vehicles — Vehicles built on a heavy-duty chassis capable of off-road use. They are of conventional construction with the driver behind the engine. The cargo and passenger areas are integral with the driver area. Many of these vehicles are equipped with soft or removable tops. Frequently, these vehicles are equipped with four-wheel drive. Utility vehicles are further divided into three subgroups based on wheelbase — small utility vehicles (less than 100 inches), intermediate utility vehicles (from 100 to 120 inches), and large utility vehicles (greater than 120 inches).

Vehicle Identification Number (VIN) — A code, variously comprising both numbers and letters; normally, 8 to 17 characters in length, assigned to each vehicle by its manufacturer. The VIN uniquely identifies the vehicle within at least a ten-year time span and, in recent model year vehicles, contains coding which identifies the make, series, model year, and other characteristics of each vehicle.

Vehicle Series — A name denoting a family of vehicles, within a make, with the same wheelbase and a degree of commonality in construction such as body, chassis, etc.

Youthful Operator — For the purpose of this report, all males (married or single) under 25 years of age and all unmarried females under 25 years of age. ■

NAFA Bulletin

The Magazine for Fleet Administrators

April 1985

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NAFA'S 1984 OPERATING EXPENSE SURVEY

Operating Expenses

(Cents cost per car per mile)

Average Miles Per Month 1,833

Fuel .0560

Oil .0012

Tires/Tire Repair .0040

Repair/Maintenance .0151

Total Operating Expenses .0763

Memo

TO: Fleet Manager
How do we
compare?

MEET NAFA'S ASSOCIATE EXECUTIVE DIRECTOR

Official Monthly Publication of
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NAFA Bulletin

The Magazine for Fleet Administrators
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1984 NAFA Survey Results:

Fleet Operating Decline for 3rd

NAFA Exclusive

Fleet operating expenses declined for the third consecutive year in 1984, according to the annual operating expense survey conducted by the National Association of Fleet Administrators, Inc.

A total of 84 fleets, operating 79,669 passenger cars, submitted data for the annual survey.

Operating expenses declined approximately three tenths of a cent per mile in the "composite" fleet group (those fleets that do not break out expenses by the size of car) from .0793 cents per mile in 1983 to .0763 cents per mile in 1984. The 1984 operating expense is a full penny per mile less than in 1982.

Average fuel economy or miles per gallon for the fleets was computed using a price of \$1.26 a gallon for fuel. This is an average for the year combining both full service and self-service pump prices.

The average miles per gallon figure for compacts was 23.8; for mid-size cars, 20.5, and for large cars, 18.7 miles per gallon.

NAFA Car Size Categories

Sub-Compact Cars: Wheelbase of less than 99 inches and a curb weight of under 2,199 pounds.

Compact Cars: Wheelbase between 100 and 104 inches and a curb weight of between 2,200 and 2,599 pounds.

Mid-Size Cars: Wheelbase between 105 and 108 inches and a curb weight of between 2,600 and 3,199 pounds.

Large Cars: Wheelbase of more than 108 inches and a curb weight of more than 3,200 pounds.

The results of the survey are based on NAFA's Recommended Classification of Automobile Expenses. Under this accounting system, fleet costs are divided into three major categories:

Operating Expenses: These costs consist of all expenses directly related to running a vehicle — fuel, oil, tires and tire repair, and normal maintenance and repair. These expenses are computed in pennies per mile per car.

Incidental Expenses: These costs include licenses and taxes, accident repairs less recoveries, washing, parking and tolls, and miscellaneous expenses. These costs are computed on a dollars per car per month basis.

Standing Expenses: The third category consists of investment costs, either interest paid on purchases or leasing company service charges, depreciation reserve, insurance, and selling costs. Deducted from these expenses are depreciation adjustments (if any) after a vehicle is sold. The standing expenses are also expressed in dollars per car per month.

To arrive at the Net Expense figure, personal use chargebacks and any optional equipment purchased by the company car operator are deducted from the combined Incidental and Standing Expenses.

Composite Fleet

The composite fleet consists of nearly 40,000 passenger cars. The fleets in this group do not break out expenses by size of car; they provide only totals for the entire fleet.

The cars in these fleets were kept in service an average of 31.5 months and driven 57,740 miles. Two percent of the cars in the composite fleet are sub-compacts; 69 percent are compacts; 25 percent are mid-size, and four percent large cars.

Seventy-eight percent of the cars in the composite fleet have four-cylinder engines; 19 percent are equipped with six-cylinder engines, while three percent have eight-cylinder engines.

Costs Year

These are well equipped cars. Ninety-eight percent are air conditioned; 97 percent have automatic transmission, 99 percent have power steering, and 100 percent are equipped with power brakes.

Based on a fuel cost of \$1.26 per gallon, these cars used 81 gallons of gas a month to drive 1,833 miles, an average miles per gallon figure of 22.5.

Total operating expenses for the group amounted to .0763, about one-third of a cent per mile less than in 1983 and a full cent per mile lower than in 1982.

Incidental expenses amounted to \$35.32 per car per month. Standing expenses were \$250.01 per car per month. Net expenses (incidental expenses plus standing expenses minus a personal use credit or chargeback of \$45.42) amounted to \$239.91.

Translating all expenses into dollars per car per month, the total expense amounts to \$379.76, or 20.7 cents a mile.

Compact Cars

The compact car segment of the 1984 operating expense survey reported operating expenses of .0708 cents per mile. These cars were driven an average of 1,747 miles per month. They were kept in service an average of 33.2 months.

Fuel expenses for compact cars was .0528 cents per mile. Based on a fuel price of \$1.26 per gallon, these cars averaged 23.8 miles per gallon.

Every car in the group has a four-cylinder engine, and all of them were equipped with air conditioning, automatic transmission, power steering, and power brakes.

Mid-Size Cars

The mid-size cars, in the 1984 survey had operating expenses of .0837 cents per mile, with fuel expenses of .0614 cents per mile. They cost one cent a mile more to operate than a compact car.

Thirty-seven percent of the cars in the mid-size

(Continued on page 12)

Operating Expense Comparisons Composite Fleets 1982 - 1984

	1982	1983	1984
Average Miles per Month	1,880	1,821	1,833

OPERATING EXPENSES

(cents cost per car per mile)			
Fuel	.0643	.0579	.0560
Oil	.0011	.0016	.0012
Tires & Tire Repair	.0057	.0041	.0040
Repair & Maintenance	.0150	.0157	.0151
Total Operating Expenses	.0861	.0793	.0763

INCIDENTAL EXPENSES

(dollar cost per car per month)			
License & Taxes	\$ 8.63	\$ 9.95	\$11.62
Accident Repairs —			
Recoveries	7.39	8.85	8.74
Washing	6.14	4.12	4.25
Parking & Tolls	12.09	11.06	7.46
Miscellaneous	2.98	2.97	3.25
Total Incidental Expenses	\$ 37.23	\$ 36.95	\$ 35.32

STANDING EXPENSES

(dollar cost per car per month)			
Leasing Service Charge			
or Interest	\$ 76.38	\$ 72.05	\$ 60.40
Depreciation Reserve	161.37	153.65	182.95
Depreciation Adjustment	-23.06	-12.38	-23.83
Selling Expenses	11.38	5.04	11.46
Insurance	23.94	20.96	19.03
Total Standing Expenses	\$250.01	\$239.32	\$250.01

CREDITS

(Dollar return per car per month)			
Personal Use Credit	\$ 42.28	\$ 47.70	\$ 45.42

NET EXPENSES

(Incidental expenses plus standing expenses less credits)	\$244.96	\$228.77	\$239.91
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NAFA's Recommended Classification of Automobile Expenses

OPERATING EXPENSES (expressed in cents cost per mile)

1. *Fuel.* Include additives, if allowed.
2. *Oil.* Include engine oil, oil additives, if allowed and oil changes. Do not include lubrication or filters.
3. *Tires.* Include purchase of replacement tires, snow and studded tires or cost of studding; deduct adjustments on returns. Include repairs, charges for rotation. Do not include balancing or alignment charges.
4. *Maintenance & Repair.* Include all mechanical and electrical repair, excluding repair of accidental damage. Include chassis lubrication, transmission and hydraulic fluids, filters, wheel balancing and alignment, brake adjustments and towing. Include all charges for regular maintenance and tune-ups. Maintenance & Repair is defined as "All actions taken to keep company vehicles operating at peak efficiency with minimum costs for parts and labor and minimum out-of-service time."

STANDING EXPENSES* (expressed in dollar cost per car per month)

Expenses incurred in automobile operation that have little or no direct relationship to the mileage a vehicle is driven. The items in this category sometimes are referred to as "Fixed Expenses" or "Non-Variable" expenses. They often are pre-determined and do not vary during the life of the vehicle. These expenses are best expressed in a dollar cost per car per month.

1. *Investment cost.* Include total capitalized cost of vehicle; deduct charges to employees for optional equipment.
 - a. For leased fleets, use monthly rental payment.
 - b. For company owned fleets, include interest on money used for purchases.
2. *Depreciation.* Include reserves established at pre-determined rate as well as adjustments after cars are disposed of. If insurance payments for work not performed are included in accident repairs, deduct from adjustments.
3. *Insurance.* Include all amounts actually paid to insurance premiums to provide coverage. Insurance is defined as "The protection purchased against claims of bodily injury or property damage (PD & PL) resulting from accidents; losses resulting from fire, theft, and vandalism. Premiums are usually based on previous experience and losses. Companies can 'self-insure' themselves against collision or medical losses by setting aside a periodic reserve for each car in operation."

INCIDENTAL EXPENSES (expressed in dollar cost per car per month)

Those expenses connected with automobile operation that do not occur on a regular basis, nor are they directly related to mileage or car use. The recommended procedure is to present these expenses in dollars per car per month.

1. *License & Taxes.* Include city and state licenses, Federal, state, and city taxes; personal property, sales, use, and rental taxes; registration and license fees; notary public fees; title and transfer fees; inspection fees; permits, and fees for duplicate titles.
2. *Accident Repairs.* Include all labor materials, towing and other expenses resulting from an accident. Deduct payments from insurance companies or others regardless of date of accident; include payments for work not performed.
3. *Washing.* Include all company-paid expense for washing, waxing, and polishing.
4. *Parking & Tolls.* Include all highway, ferry, tunnel, and bridge tolls. Include use of outside parking lots, parking meters, garages, and garage allowances.
5. *Miscellaneous.* Include any items related to the operation of the car not covered elsewhere, such as anti-freeze, flares, seat covers, floor mats, and chains.

* Administrative expenses, if available, should be included in **Standing Expense** category. They would include salaries of fleet department personnel, share of corporate overhead (rent, light, heat, telephone, pro-rate cost of accounting, legal, finance departments, and other services needed for fleet operation).

NAFA's Operating Expense Survey

(Continued from page 9)

are equipped with four-cylinder engines; 56 percent with six-cylinder engines, and seven percent with eight-cylinder engines.

Every car in the mid-size group was equipped with air conditioning, automatic transmission, power steering, and power brakes.

Based on the standard gasoline prices of \$1.26 per gallon, these cars averaged 20.5 miles per gallon, more than three miles per gallon less than the compact cars.

Large Cars

The large car segment of the 1984 operating expense survey averaged 18.7 miles per gallon. These cars were driven an average of 2,085 miles per month and kept in service for 26.6 months.

Total operating expenses for this group of vehicles came to .0935 cents a mile, a penny per mile more than mid-size cars and two cents a mile more than compact cars.

Ninety-nine percent of the large cars have eight-cylinder engines, and all are equipped with air conditioning, power steering, power brakes, and automatic transmissions.

Canadian Fleets

As in previous surveys, cars in Canada cost more to operate than in the United States. According to responses to the 1984 survey, operating expenses for Canadian cars amounted to .1077 cents a mile.

The Canadian fleet segment is made up of eight percent sub-compacts; 44 percent compacts; 39 percent mid-size cars, and nine percent large cars.

Fifty percent of the Canadian cars have four-cylinder engines; 28 percent have six-cylinder engines, and 22 percent have eight-cylinder engines.

Sixteen percent of the Canadian cars are air conditioned; 99.9 percent have automatic transmissions; 98.7 percent have power steering and power brakes.

The Canadian cars are kept in service an average of 30.7 months and driven an average of 2,427 miles per month. Total service life for these cars averages 74,509 miles.

A breakdown of the Canadian fleet's operating expenses shows fuel expenses to be .0816 cents per mile; oil, .0012 per mile; tires, .0044 per mile, and repair and maintenance, .0205 cents per mile. ■

Operating Expenses Canada

	1983	1984
Average Miles per Month	1,780	2,427
Fuel	.0979	.0816
Oil	.0026	.0012
Tires & Tire Repair	.0080	.0044
Repairs & Maintenance	.0221	.0205
Total Expenses	.1306	.1077

COMPOSITE FLEET BREAKDOWN OF EXPENSES



**Does Not Reflect
Personal Use or
Equipment Credits**

Operating Expense Comparisons 1982 - 1984 Mid-Size Cars

	1982	1983	1984
Average Miles per Month	2,027	2,236	2,031
Fuel	.0748	.0616	.0614
Oil	.0014	.0016	.0018
Tires & Tire Repair	.0053	.0064	.0043
Repair & Maintenance	.0105	.0169	.0162
Total Operating Expenses	.0920	.0865	.0837
Average price per gallon of fuel	\$1.36	\$1.235	\$1.26
Average miles per gallon	18.2	20.05	20.5

Compact Cars

	1982	1983	1984
Average Miles per Month	2,339	2,153	1,747
Fuel	.0627	.0517	.0528
Oil	.0015	.0017	.0014
Tires & Tire Repair	.0040	.0035	.0045
Repair & Maintenance	.0112	.0126	.0121
Total Operating Expenses	.0794	.0695	.0708
Average miles per gallon	21.8	24.1	23.8
Average price per gallon of fuel	\$1.36	\$1.235	\$1.26

NAFA



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1986 Model Year Choices

Leasing Companies Offer
Their Recommendations

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FEATURES

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This is a new survey designed to keep you informed of the various safety programs utilized by your peers. Please fill out the questionnaire and return to NAFA Headquarters.

8 Photo Report: NAFA's Annual Conference, "Commitment to Excellence"

This photo report recaps some of the highlights at NAFA's 28th Annual Conference held June 2-5 at the Sheraton Boston in Boston, Massachusetts.

20 Legislative Update: Four Areas of Legislation Will Affect Fleet Managers, Says IRS' Jim Fields

This article contains highlights of the "Legislative Update" session presented by Jim Fields, IRS, at NAFA's Annual Conference.

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26 Leasing Companies Offer Their Recommendations

Several major leasing companies provide information and offer suggestions on what is available in the 1986 model year.

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A listing of Affiliates who contributed to the Affiliates' Night Party held at NAFA's Annual Conference.

51 Import Cars in Fleets Grow by 29% in 2 Years

*According to **Runzheimer Reports on Transportation**, the number of imported cars in the average American fleet increased 29% between 1982 and 1984.*

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Import Cars in Fleets Grow By 29% in 2 Years

The number of imported cars in the average North American fleet increased 29% between 1982 and 1984, according to fleet composition surveys conducted by *Runzheimer Reports on Transportation*. Since 1982, the percentage of imported cars has increased one percentage point per year. This increase is shown in Table 1. Although the percentage of fleets with imports dropped slightly — 28 percent in 1982 to 27 percent in 1984, as shown in Table 2, those fleets with imported cars have dramatically increased the number, from an average of 56 in 1982 to an average of 72 in 1984 — a 29 percent jump! This dramatic increase is illustrated in Table 3.

Table 1
Composition of Average
North American Car Fleet
Domestic vs. Imports

	1982	1983	1984
Domestics	98%	97%	96%
Imports	2%	3%	4%

This data indicate that acceptance of import cars is growing among U.S. and Canadian fleets which typically drive only North American vehicles. However, there is still some confusion as to what constitutes an import car. For example, GM has been marketing the Chevrolet Sprint — built by Suzuki — on the west coast and the Spectrum — built by Isuzu — in 17 eastern states. By displaying a domestic nameplate, these vehicles are, at least in name, domestic. But, the Sprint and the Spectrum are actually Japanese Chevys, not American chevys, making them domestic-sponsored imports.

Table 2
Surveyed Fleets
With Imported Cars

1982	1983	1984
28%	26%	27%

Table 3
Average Number of
Imported Cars in Those
Fleets Having Them

1982	1983	1984
56	58	72

Five hundred and six North American fleets, representing 248,524 cars, responded to the 1984 survey. Data from 1983 reflect 532 North American responses totalling 265,000 cars, while 1982 figures represent 95 fleets with 78,390 vehicles.

No Clear Distinction

According to Runzheimer, a clear distinction between imports and domestic cars is not likely to be made in the future. This is because the recent lift on the ban of imported cars to the U.S. will allow more imports in to the country and will raise even more questions about the vehicle's parentage. In an effort to reduce confusion over the matter, Runzheimer's auto analysts created the following code:

DN/FM — domestic nameplate but foreign made (Plymouth Colt)

DN/DM — domestic nameplate and domestically made (Ford Escort)

FN/DM — foreign nameplate but domestically made (VWoA Golf)

FN/FM — foreign nameplate and foreign made (BMW 318i)

Although this code will help you and your drivers classify cars, the once "clear line" distinguishing imports from domestic will remain blurred for some time.



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NAFA



Bulletin

The Magazine for Fleet Administrators

September 1985

First Class of Certified Fleet Managers

THE WHARTON SCHOOL
STEINBERG HALL - DIETRICH HALL



**Ten People Receive
CFM Designation**

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FEATURES

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The swing to mid-size cars by fleet managers is gathering momentum, according to NAFA's annual new car acquisition survey. A total of 243 fleets participated in this year's survey.

18 Second Year in a Row: 'Initial Cost' Is Most Important Factor in Fleet Car Selection

NAFA members rank the six factors in fleet car selection in order of importance.

20 First Class of Certified Fleet Managers

The 10 individuals who received their well-earned certificate of completion were commended at a graduation luncheon July 19, 1985, at the University of Pennsylvania's Wharton School.

26 A Battle Is Brewing in Washington: Gillis Calls for a 'United Front' to Win the War Against Anti-Fleet Legislation

Richard J. Gillis, president, Americar Rental Systems, expressed his company's position on proposed legislation to eliminate fleet incentives.

38 Ohio Belt Use Surveys Show: Drivers Who Don't Buckle Up Put Comfort Before Personal Safety

The surprising findings of a series of statewide surveys, conducted over the past four years by the Ohio State Highway Patrol, are described in this article.

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New Car Survey Reveals:

For 1986, Most Fleet Managers

*Two of every three new cars
purchased during the 1986 model year
will be a mid-size unit.*

The swing to mid-size cars by fleet managers is gathering momentum. During the 1986 model year, two of every three new cars will be a mid-size unit, according to NAFA's annual new car acquisition survey.

In 1984 mid-size cars accounted for 35 percent of the new car orders; in 1985 the figure jumped to 54 percent, and this year it will reach 67 percent. The popularity of the mid-size cars is coming at the expense of both compacts and large cars. Sub-compacts are practically non-existent in commercial fleets, accounting for only one percent of the vehicles in service.

**NAFA
Exclusive**

A total of 243 fleets participated in NAFA's new car acquisition survey. They operate a total of 173,248 passenger cars. These fleets plan to acquire slightly more than 60,000 new cars during the 1986 model year, nearly 3,000 more than they acquired during the 1985 model year.

A breakdown of the 243 responses reveals that 191 fleets are commercial firms in the United States. In addition to these fleets, are 15 public utility fleets, 18 fleets in government agencies, and 19 Canadian fleets.

Other highlights of the survey are:

▲ AM/FM stereo, cruise control, and tilt steering wheel are growing rapidly as options ordered in every car by more and more fleets. If the trend continues they may be as common as automatic transmissions and air conditioning.

▲ Four-door sedans continue to dominate among the body styles selected by fleet managers.

The new vans have been able to garner only three percent of the new car orders.

▲ While only a handful of fleets are making major changes in their new car specifications, there may be a trend developing in engine specifications — a growing, but still relatively small, switch to four-cylinder engines for the mid-size cars.

▲ Imports are still unable to gain a major share of the fleet market. While 35 U.S. commercial fleets reported they have some imports in service, only 11 fleets plan to buy or lease imports in the 1986 model year. The most interesting comment about the use of imports came from one U.S. government fleet manager who wrote the number of imports is "classified."

Insurance Group

The Insurance Group participating in the annual new car acquisition survey consists of 32 fleets operating 32,860 passenger cars (19,082 company-owned, 13,778 leased). The current composition of these fleets is one percent sub-compacts; 59 percent compacts; 36 percent mid-size cars, and 4 percent large cars.

During the 1985 model year these fleets acquired 10,412 new cars. They plan to acquire 11,030 new units during the 1986 model year. Only one percent of these new cars will be sub-compacts; 54 percent will be compacts; 42 percent mid-size cars, and three percent large cars.

Eighty-seven percent of the group's new cars will be four-door sedans. Six percent will be station wagons; three percent will be two-door models and

Are Buying Mid-Size Cars

three-door models. One percent each of the new car orders will be for five-door hatchbacks and minivans.

Two out of every three new cars will be middle line vehicles; 23 percent will be bottom line cars, and 10 percent will be top of the line models.

Only one fleet in the Insurance Group is planning a major change in its vehicle size for 1986 — switching from mid-size cars to compacts. Three fleets are planning to order their new cars with standard transmissions. In two fleets they will be used in compacts and in the other fleet, they will be used in sub-compacts.

“AM/FM stereo, cruise control, and tilt steering wheel are growing rapidly as options ordered in every car by more and more fleets. If the trend continues they may be as common as automatic transmissions and air conditioning.”

Three fleets in the group are planning to order some specialty cars during the 1986 model year, a total of 25 units. One fleet is planning to acquire a few imports, although four fleets reported they have some imports now in service, 35 units in all.

Of the 32 fleets in the group, 20 give the company car operator some choice in vehicle selection. Sixteen fleets permit choice of make; 15 permit choice of model; one allows the employee to select the engine desired; two allow choice of transmission,

while ten give the operator a choice of options to be installed on the new car — at his or her expense.

Engine use in the Insurance Group follows a familiar pattern — most compacts are equipped with four cylinder engines; mid-size cars with sixes, and large cars with eight-cylinder engines.

Food and Beverage Group

The Food and Beverage Group consists of 21 fleets operating 14,979 passenger cars (9,197 company-owned, 5,782 leased). The current composition of the group's cars is 23 percent compacts; 72 percent mid-size units, and four percent large cars. Only one fleet in the group has any sub-compacts in its fleet.

The group acquired 6,588 new units during the 1985 model year and they plan to buy or lease 6,647 during the coming model year. Twenty-two percent of the new cars will be compacts; 74 percent will be mid-size cars, and four percent will be large cars. Not one fleet in the Food and Beverage Group is planning to make any major changes in its acquisition policy during the 1986 model year.

Some 62 percent of the group's new cars will be middle line vehicles; 21 percent will be top of the line models, while 16 percent will be bottom line cars.

Eighty-eight percent of the new car orders will be for four-door sedans; five percent for two-door sedans; four percent for vans, and three percent for station wagons.

Four fleets in the group are changing their engine specifications for 1986 — two are switching to turbos while the other two will be ordering four-

(Continued on page 8)

New Car Acquisition Survey

(Continued from page 7)

cylinder engines for their mid-size cars. One fleet in the Food & Beverage Group plans to equip its cars with standard transmissions.

At the present time every fleet ordering compacts equips them with four-cylinder engines; in fleets with mid-size cars, half have four-cylinder engines; the other half have six-cylinder engines. Half of the large cars in the group are equipped with six-cylinder engines; the other half with eight-cylinder engines.

Two fleets in the group are planning to order a few specialty cars during the 1986 model year. One fleet reported it would acquire a handful of imports. Four fleets said they already have some imports in service, a total of 15 units.

"Four fleets in the Food and Beverage Group are changing their engine specs for 1986 — two are switching to turbos; the other two will be ordering 4-cylinder engines for their mid-size."

All but four of the 21 fleets give the company car operator some choice in the vehicle to be used. Sixteen permit a choice of car; nine allow the operator to select the model desired; three allow choice of engine; one allows choice of transmission, and 14 give the operator permission to order additional optional equipment, primarily power options — power windows and door locks.

Drug & Cosmetic Group

The Drug & Cosmetic Group, participating in the 1986 new car survey, consists of 26 fleets operating 18,921 passenger cars (2,441 company-owned, 16,480 leased). The current composition of the fleet is two percent sub-compacts; 10 percent compact cars; 84 percent mid-size units, and four percent large cars.

The Drug & Cosmetic Group acquired 7,696 new cars during the 1985 model year and plans to

acquire slightly more — 7,788 — during the 1986 model year. Of the 1986 model cars being ordered, two percent will be sub-compacts (all by one fleet); nine percent will be compacts; 85 percent will be mid-size cars, and four percent will be large cars.

Two fleets are planning major changes in their new car policies — both are switching from compacts to mid-size cars.

Two out of every three new cars in this group will be a four-door sedan. Seventeen percent will be two-door sedans. Seven percent of the new car

"Two fleets in the Drug & Cosmetic Group are planning to acquire a few imports, while six fleets said they now have some imports in service.."

orders will be for both station wagons and five-door hatchbacks. Vans will account for two percent of the new car orders; three-door hatchbacks will be one percent. Sport models account for less than one half of one percent of the new car orders.

Sixty percent of the new car orders are for middle line units; 15 percent for top of the line models, and 25 percent for bottom line cars.

Five fleets in the group plan to order some specialty cars during the coming model year, a total of about 60 units. Two fleets are planning to acquire a few imports, while six fleets said they now have some imports in service, slightly more than 100 cars out of the total of more than 18,000 in the entire group.

Every fleet using compacts orders them with four-cylinder engines; the majority of fleets using mid-size cars equip them with six-cylinder power plants, while a majority of the large cars have eight-cylinder engines.

Nine fleets in the group are planning to change their engine specifications in their 1986 new car orders. Five fleets are switching to four-cylinder engines in their mid-size cars; three fleets are changing to six-cylinder engines in mid-size cars. One fleet plans to order six-cylinder engines for its large cars.

(Continued on page 11)

Changes in NAFA Car Size Categories (Weight/Wheelbase)

Year	Sub-Compact	Compact	Mid-Size	Large
1979	Under 100" Under 2,500 lbs.	100-106" 2,500 - 3,000	106-114" 3,001 - 3,500	Over 114" Over 3,501
1981	Under 100" Under 2,300 lbs.	100-106" 2,300 - 2,799	106-114" 2,800 - 3,399	Over 114" Over 3,400
1983*	Under 99" Under 2,199 lbs.	100-104" 2,200 - 2,599	105-108" 2,600 - 3,199	Over 108" Over 3,200

*1986 categories remain the same.

New Car Acquisition Survey

(Continued from page 8)

Twenty-four of the 26 fleets give the company car operator some choice in vehicle selection. Twenty-two permit choice of vehicle; 16 allow the operator to select the model desired; four permit choice of engine; one allows a choice of transmission, and 22 allow the employee to order additional optional equipment.

Chemical & Petroleum Group

The Chemical & Petroleum Group, responding to the 1986 new model acquisition survey, consists of 31 fleets operating 18,434 passenger cars (8,890 company-owned, 9,544 leased). The current composition of these fleets is one percent sub-compacts (all in one fleet); five percent compacts; 60 percent mid-size cars, and 34 percent large cars.

The fleets in this group acquired 5,316 new cars during the 1985 model year. They plan to buy or lease 6,527 units during the 1986 model year. The new car acquisitions will consist of one percent sub-compacts (again all by one fleet); nine percent compacts; 61 percent mid-size vehicles, and 29 percent large cars.

Ninety-one percent of the new car orders will be for four-door sedans. Four percent of the orders will be for station wagons; two percent for vans, and one percent each for two-door sedans and five-door hatchbacks.

"Twenty-four of the 31 fleets in the Chemical & Petroleum Group give the car operator a choice in vehicle selection... but only nine of the 24 permitting a choice permit the operator to add optional equipment..."

Sixty-six percent of the orders will be for middle line units; 30 percent for bottom of the line models and only four percent for top of the line cars.

Two fleets in the group are planning major changes in their new car policies. One is switching to mid-size cars; the other is moving to compacts.

Practically all compact cars are equipped with four-cylinder engines. The great majority of the mid-size cars are ordered with six-cylinder engines, and most of the large cars come with eight-cylinder engines.

Nine fleets in the group said they plan to make major changes in their engine policies during 1986. Four fleets are switching to four-cylinder engines for mid-size cars; three are moving down to six-cylinder engines in their large cars, while two are moving up in engine size — one is ordering six-cylinder engines in mid-size, the other is using six-cylinder engines in its compacts.

U.S. Composite Fleet

(Excluding Government & Public Utility Cars)

Number of Fleets Responding	191
Number of Vehicles	147,278
Average Fleet Size	771

Current Composition of Composite Fleet:

Sub-Compacts	30
Compacts	231
Mid-Size	470
Large	62

One fleet reported that it will switch to standard transmission in all its 1986 models.

Twenty-four of the 31 fleets in the Chemical & Petroleum group give the car operator a choice in vehicle selection. All 24 fleets permit the driver to select the make of car desired (from a selector list, of course); 13 permit choice of model; seven allow the employee to choose the engine desired; three allow choice of transmission, but only nine of the 24 permitting a choice permit the operator to add optional equipment items to the car.

Three fleets in the group plan to order a few specialty cars in the coming model year. Only one fleet plans to acquire any imports in 1986. Only one fleet reported that it had any imported cars currently in service — three units.

Manufacturing-Consumer Group

The Manufacturing-Consumer Group consists of 34 fleets operating 22,533 passenger cars (14,388 company-owned, 8,145 leased). The current composition of these fleets is 14 percent compacts; 78 percent mid-size cars, and seven percent large cars. Sub-compacts, used in one fleet, account for less than one-half of one percent of the cars in the group.

The fleets in the group acquired 8,602 new cars during the 1985 model year. In 1986 they plan to buy or lease essentially the same number of vehicles — 8,698. Eight percent of the new car orders will be for compacts; 89 percent for mid-size cars, and three percent for large units. Only one fleet plans to acquire any sub-compacts. The one fleet in the group that will make a major change in new car acquisition policy is dropping its sub-compacts.

Eighty-one percent of the 1986 model year car orders will be for four-door sedans; 10 percent of the orders will go to station wagons; four percent each for vans and two-door sedans; one percent of the orders will be for five-door hatchbacks.

Eighty-two percent of the group's new car orders will be middle line models; 16 percent will be top of the line cars, while the remaining two percent will be for bottom of the line cars.

As is the case in the other groups, most fleets in the Manufacturing-Consumer Group equip their

compacts with four-cylinder engines; their mid-size cars with six-cylinder engines, and large cars with eight cylinders.

However, there may be a trend apparent in the group. Four fleets planning major changes in engine use all say they are switching to four-cylinder engines in mid-size cars. Three fleets in the group are planning to equip new cars with standard transmission: In one fleet mid-size cars with six cylinder engines; in one fleet with four-cylinder engines in mid-size cars, and in one fleet with four-cylinder compacts.

One fleet reports it is planning to acquire a few specialty cars during the 1986 model year; three fleets are planning to acquire some compacts next year, while 12 fleets say they have a few imported cars already in service, a total of 65 units out of the 22 thousand cars now in the group's fleets.

Twenty-five of the 34 fleets in the Manufacturing-Consumer Group have a policy of choice in vehicle selection. Twenty-three fleets give the corporate employee a choice of makes of car; 16 permit a choice of model. Three fleets permit the operator to select the engine desired; two allow a choice of transmission. Sixteen fleets permit the operator to purchase additional items of optional equipment. Most specify that such items remain with the car when it is replaced.

Manufacturing-Industrial Group

The Manufacturing-Industrial Group, participating in the 1986 new car acquisition survey, consists of 34 fleets operating 37,644 passenger cars (11,112 company-owned, 26,532 leased). The current composition of these fleets is 39 percent compacts; 57 percent mid-size units, and four percent large cars. Two fleets have sub-compacts, accounting for much less than one-half of one percent of the total fleet.

The fleets in this group acquired 13,578 new cars during the 1985 model year; in 1986 they plan to buy or lease 13,819 new units.

"As in most other groups, the fleets in the Manufacturing-Industrial Group order compacts with four-cylinders; most mid-size cars with six-cylinders, and large cars with eights."

Thirty-five percent of the new units will be compacts; 63 percent will be mid-size cars, and two percent large cars. Not one fleet in the group plans to order any sub-compacts during the 1986 model year.

Sixty-nine percent of the new car orders will be for four-door sedans; 18 percent for station wagons; seven percent for two-door sedans, and five percent for vans.

Seventy percent of the new car orders will be for middle line models; 13 percent for top of the line units, and 16 percent for bottom line cars.

U.S. Composite Survey Fleet 1981-1985 Model Years (Excluding Government & Public Utility Fleets)

	1981	1982	1983	1984	1985
Number of Cars in Fleet	750	762	632	758	771
Current Composition of Fleet					
Sub-Compacts	15	23	12	30	8
Compacts	348	404	323	311	231
Mid-Size	320	282	240	349	470
Large	67	53	57	68	62
Actual Acquisitions in Previous Year	284	274	211	266	276
Planned New Car Acquisitions in Coming Model Year	302	284	232	279	288
Sub-Compacts	21	19	2	11	3
Compacts	205	185	133	75	75
Mid-Size	67	74	81	151	193
Large	9	6	16	42	17

As in most other groups, the fleets in the Manufacturing-Industrial Group order compacts with four-cylinders; most mid-size cars with six cylinder engines, and large cars with eights.

However, five fleets say they will be changing their engine specifications in 1986 — all moving to smaller power plants. Four fleets will equip mid-size cars with four-cylinder engines, and one will put six cylinders in its large cars.

(Continued on page 12)

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New Car Acquisition Survey

(Continued from page 10)

Three fleets will specify that 1986 models are equipped with standard transmissions, two only in compacts and one in all its new cars.

Six fleets in the group report they will be ordering some specialty cars in 1986, a total of 90 units. Two fleets plan to acquire a few compacts during the coming model year, while four fleets already have some imports in service, about 50 units all together.

Twenty-seven of the 34 fleets give the company-car operator a voice in fleet car selection. Twenty-six permit a choice of car make; 17 allow a choice of

"The Financial Group's planned acquisitions are: two percent will be sub-compacts; 22 percent compacts; 69 percent mid-size, and seven percent large cars."

the model desired. Four fleets permit a choice of engine and three allow the operator to select the transmission desired. Nineteen fleets permit the operator to purchase optional equipment items.

Financial Group

A new group appearing in this year's survey consists of 13 banks and financial institutions. They operate a total of 1,907 cars (1,197 owned, 710 leased). The current composition of this group is two percent sub-compacts; 17 percent compacts; 68 percent mid-size, and 13 percent large cars.

During the 1985 model year, these fleets acquired 649 new cars; they plan to buy or lease 607 in the 1986 model year. Of their planned acquisitions, two percent will be sub-compacts; 22 percent compacts; 69 percent mid-size cars, and seven percent large cars.

New Car Orders By Body Style — U.S. Fleets U.S. Commercial Fleets (Percentage of New Car Orders)

3-door hatchback	1%
5-door hatchback	2%
Station Wagon	9%
2-door Sedan	6%
4-door Sedan	79%
Sport Model	*
Van	3%

* Mentioned, but less than 1/2 of 1%.

Eighty-one percent of the planned acquisitions will be four-door sedans; 12 percent two-door sedans. Three percent of the orders will be for station wagons, and two percent each for vans and five-door hatchbacks.

Seventy-eight percent of the new car orders will be for middle line models; 16 percent bottom line units, and six percent for top of the line cars.

Three fleets will order some specialty cars in 1986. One fleet is planning to acquire one imported car, while four fleets now have a total of 10 imports in service.

Two fleets in the Financial Group are planning major changes in their engine specifications, one will order turbo charged engines for its mid-size cars, the other plans to use four-cylinder engines in its mid-size units. One fleet will order all 1986 models with standard transmission.

At the present time, this group follows the usual practice of equipping compacts with four-cylinder engines; mid-size cars with sixes, and large cars with eights.

Ten of the 13 fleets in the group give the company-car operator a choice in vehicle selection.

(Continued on page 14)

U.S. Commercial Summary

Group	Number of Cars	Current Composition						1985 New Car Acquisitions	1985 Planned New Car Acquisitions	Sub-Compact	Compact	Mid-Size	Large
		Owned	Leased	Sub-Compact	Compact	Mid-Size	Large						
Drug & Cosmetics (26)	18,921	2,441	16,480	300	1,843	15,901	877	7,696	7,788	150	669	6,663	306
Food & Beverage (21)	14,979	9,197	5,782	2	3,495	10,722	760	6,588	6,647	—	1,495	4,923	229
Chemical & Petroleum (31)	18,434	8,890	9,544	120	827	11,137	6,275	5,316	6,527	40	595	4,004	1,888
Insurance (32)	32,860	19,082	13,778	388	19,109	11,852	1,188	10,412	11,030	169	5,778	4,481	305
Manufacturing—Consumer (34)	22,533	14,388	8,145	30	3,102	17,030	1,621	8,602	8,698	3	680	7,494	271
Manufacturing—Industrial (34)	37,644	11,112	26,532	4	14,524	21,612	1,504	13,578	13,819	—	4,796	8,739	284
Financial (13)	1,907	1,197	710	42	318	1,295	252	649	607	10	135	420	42
Totals (191)	147,278	66,307	80,971	886	43,218	89,549	12,477	52,841	55,116	372	14,148	36,724	3,325

* Totals may differ for the sub-compact, mid-size, and large current and planned acquisitions because not everyone answered this section of the questionnaire.

New Car Acquisition Survey

(Continued from page 12)

Every fleet giving this choice permits the operator to select the make of car desired; six allow a choice of model. Three fleets permit choice of engine and two allow a choice of transmission. Only three of the 13 fleets permit the operator to add optional equipment items to the standard vehicle specifications.

Canadian Segment

The Canadian segment of the new car survey consists of 19 fleets operating 3,940 passenger cars (132 company-owned, 3,808 leased). The current composition of these fleets is 25 percent compacts; 62 percent mid-size, and 13 percent large cars.

During the 1985 model year these fleets acquired 1,315 new cars. Their plans for 1986 call for buying or leasing 1,349 new cars. Twenty-six percent of the new car orders will be for compacts, 69 percent, mid-size, and five percent large cars. One Canadian fleet plans a major change in its new car specifications for 1986. It is switching to minivans.

Seventy-one percent of the Canadian fleet new car orders will be for four-door sedans; nine percent vans; seven percent two-door sedans; five percent five-door hatchbacks; four percent station wagons,

Survey Totals	
FLEETS:	243
U.S. Commercial	191
Public Utility	15
Government	18
Canada	19
TOTAL CARS	173,298
1985 Acquisitions	57,696
1986 Planned Acquisitions	60,412

three percent sport models, and one percent three-door hatchbacks.

Seventy-five percent of the orders will be for mid-line models; 24 percent for top of the line cars, and only one percent for bottom line models.

Three fleets in the Canadian Group plan to acquire some specialty cars in 1986. Three other fleets will acquire a handful of imports, while seven of the 19 fleets in the group report they already have some imports in service, a total of 51 vehicles.

"The Canadian fleet cars are well equipped vehicles. Among the 10 fleets ordering large cars, standard equipment includes air conditioning in nine fleets..."

In engine use, the Canadian fleets follow the same pattern as the U.S. fleets — four cylinders in compacts; six cylinders in mid-size, and eights in the large cars.

Only one Canadian fleet plans a major change in its engine specifications for 1986; it is switching to a four-cylinder engine in mid-size cars.

Fifteen of the 19 fleets have a policy of giving the car operator a choice in vehicle selection. All 15 allow a choice of the make of car; 14 permit choice of model. Four allow the driver to select the car's engine; two allow choice of transmission. Twelve fleets permit the employee to add optional equipment items to the company's specifications.

The Canadian fleet cars are well equipped vehicles. Among the 10 fleets ordering large cars, standard equipment includes air conditioning in nine fleets, along with AM-FM stereo in seven fleets; cruise control in six, power door locks and power windows in five, and tilt steering wheels in four.

Eleven of the 16 fleets with mid-size cars order all units with stereo; 13 fleets have air conditioning as standard equipment on all units, and eight specify cruise control.

Fourteen fleets will order compact cars in 1986. Eleven will order air conditioning on all units; seven will specify AM-FM stereo, and four will order cruise control for their compacts.

(Continued on page 16)

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Options as Standard Equipment

For many years fleet cars in all size categories have been well equipped — almost all fleets order all cars with air conditioning, automatic transmission, power disc brakes, and power steering. In this year's survey, three additional items of optional equipment are being ordered by more fleets than ever before.

Of 105 fleets ordering some large cars, 93 are equipping all units with AM-FM stereo radios; 81 are ordering all cars with cruise control, and 69 are equipping them with tilt steering wheel.

In the survey 166 fleets are planning to

order mid-size cars. Of the 166, 131 will specify AM-FM stereo, 114 are ordering cruise control on all units, and 66 are equipping cars with tilt steering wheel.

Seventy-nine fleets plan to order compact cars during the 1986 model year. AM-FM stereo will be standard equipment for 60 of these fleets' compact cars. Forty fleets are equipping all units with cruise control, while 20 are specifying tilt steering wheel.

Among the 15 fleets acquiring sub-compacts, 11 are ordering them with AM-FM stereo, five with cruise control, and three with tilt steering wheel.

Summary of Options

U.S. Commercial Fleet

Group	AM/FM Stereo	Power Disc Brakes	Power Steering	Automatic Trans.	S/B/R Tires	Air Cond.	Tinted Glass	Vinyl Roof	Tilt Wheel	Power Door Locks	Power Windows	Cruise Control
Drug & Cosmetics												
Large (14)	12	*	*	*	13	13	13	4	8	8	7	9
Mid-Size (26)	22	25	26	26	26	26	25	3	7	3	2	13
Compact (10)	10	10	10	10	10	10	9	1	3	1	1	6
Sub-Compact (2)	2	2	2	2	2	2	2	1	—	—	—	1
Food & Beverage												
Large (13)	12	*	*	*	12	11	11	4	9	7	7	11
Mid-Size (21)	13	21	21	21	20	21	20	2	11	—	—	15
Compact (8)	3	8	8	8	8	8	8	—	1	—	—	3
Sub-Compact (—)	—	—	—	—	—	—	—	—	—	—	—	—
Insurance												
Large (16)	16	*	*	*	15	16	16	5	13	8	7	13
Mid-Size (23)	16	21	22	22	21	22	21	1	10	1	2	13
Compact (16)	13	16	16	16	15	15	13	—	5	—	—	7
Sub-Compact (5)	3	5	5	5	5	5	3	—	1	—	—	1
Manufacturing-Industrial												
Large (16)	14	*	*	*	15	16	16	8	8	9	9	13
Mid-Size (31)	24	31	31	30	30	31	31	3	13	5	2	23
Compact (14)	9	14	14	13	12	14	14	2	2	—	—	7
Sub-Compact (2)	—	2	2	2	2	2	2	—	1	—	—	2
Manufacturing-Consumer												
Large (18)	18	*	*	*	17	17	17	8	13	12	12	16
Mid-Size (32)	28	31	32	31	31	32	31	5	15	9	5	25
Compact (18)	15	18	18	17	17	18	18	2	7	3	1	12
Sub-Compact (2)	2	2	2	2	2	2	2	—	1	—	—	1
Chemical & Petroleum												
Large (21)	15	*	*	*	16	21	20	6	12	9	8	18
Mid-Size (24)	17	23	23	22	17	24	24	—	9	5	—	17
Compact (5)	5	4	5	5	4	5	5	—	2	1	—	3
Sub-Compact (1)	1	1	1	1	1	1	1	—	—	—	—	—
Financial												
Large (7)	6	*	*	*	6	7	7	4	6	4	5	6
Mid-Size (9)	6	8	9	9	8	9	9	—	1	2	2	5
Compact (8)	5	7	8	8	6	8	7	—	—	—	—	2
Sub-Compact (3)	1	3	3	3	3	3	3	—	—	—	—	1

NOTE: The figure in () beside the car size indicates the number of fleets in each group ordering that size car. The number under the items of equipment is the number of fleets in each group ordering the item for every car of that size at no expense to the operator.

*Standard equipment on large cars.

Ohio Belt Use Surveys Show:

Drivers Who Don't Buckle Up Put Comfort Before Personal Safety

Statistics show that seat belts save lives, yet there are many people who don't buckle up because they feel seat belts are "uncomfortable, restrictive, get in the way, or wrinkle their clothing," according to surveys conducted over the past four years by the Ohio State Highway Patrol.

The following article, reprinted with permission from Traffic Safety, a publication of the National Safety Council, describes the aims and results of the patrol's extensive research.

If you asked them directly, not many people would say they would rather smash their heads than wrinkle their clothing, but when it comes to deciding whether to wear safety belts while traveling in an automobile, a surprisingly large number of people make just such a choice: they place personal comfort above personal safety. In fact, more than half the people who decide not to use belts do so, not because they don't believe in the safety they provide, but because they feel they are uncomfortable, restrictive, get in the way, or wrinkle their clothing.

"Usage rates were highest among persons who required assistance from officers, such as disabled motorists or drivers asking directions."

This was one of the surprising findings of a series of statewide surveys conducted over the past four years by the Ohio State Highway Patrol.

Finding out why motorists don't buckle up is naturally of interest to the patrol, which has supported safety belt

use ever since the devices became readily available to motorists in 1955. "We have always viewed the promotion of belt use as a logical complement to an effective drinking driver enforcement effort and our advanced accident problem site identification program," according to the patrol.

"Over the years, we have used most of the traditional promotional techniques: news releases, pamphlets, and safety belt messages printed on some of our motorist contact forms. Recently, we developed two slide presentations that deal specifically with safety belt usage by teenagers and by motorists in general."

The patrol has also worked closely with the Administrative Division of the Ohio Department of Highway Safety in its effective "Saved by the Belt" program, which recognized belt users who have escaped death or serious injury in severe traffic accidents.

Who Does and Who Doesn't?

Overall, their programs have been quite successful and have undoubtedly helped to keep Ohio's traffic death rate significantly lower than that of the

nation as a whole. However, there comes a time when a new approach to safety belt promotion is needed. The best way to devise such an approach is to gather detailed information on the attitudes of the people you are attempting to influence. Who wears seat belts and who doesn't, and why? To find out, a series of statewide surveys were conducted.

The surveys were designed to determine belt usage in each of the state's 88 counties. Individual county usage rates were of prime importance because the patrol's public information program is decentralized — every post commander is responsible for the presentation in the counties served by his post. So if the survey uncovered certain negative attitudes toward belt use in a particular county, the post commander could concentrate on overcoming those objections in a public education presentation tailor-made for the local community.

The first survey was conducted in two phases during March and September 1981. These two months were selected so they could see if adverse road conditions influenced usage rates. The survey itself was structured somewhat like other studies which sought to explore the reasons why people choose not to wear their safety belts. These reasons, often called "seat belt myths," are listed here as they were on the survey instrument:

1. Fear of entrapment
2. I would rather be thrown clear
3. Uncomfortable, restrictive
4. Seat belts cause injury
5. I can brace myself for the collision
6. Short trip — seat belts not necessary
7. I am a careful driver
8. Other

Low Use for Risk Group

This 1981 survey took note of the type of motorist contact (arrest, accident, motor vehicle inspection, etc.) to determine if the safety belt usage rate was significantly lower for drivers who had been stopped for hazardous moving violations, that small segment of our driving population called the "high risk group."

During this first seat belt survey, Ohio state troopers observed 42,105 vehicle occupants to see if they were wearing their restraints. To their surprise, 9,731 drivers and passengers had their safety belts fastened. These observations produced a usage rate of 22.3 percent, far greater than the accepted national average. For the record, a restraint was deemed to be in use only when a trooper

observed an occupant who was properly restrained. Only those involved in accidents were asked, "Were you wearing your seat belt?"

Usage rates were highest among persons who required assistance from officers, such as disabled motorists or drivers asking directions. Twenty-seven percent of the people we helped had their belts on.

The next higher usage rate 23.3 percent was for occupants in vehicles detected committing a traffic violation,

Table 1
Restraint Use vs. Fatalities by Highway Class

<i>Highway Class</i>	<i>Restraint Usage</i>	<i>Percentage of Fatal Accidents</i>
Turnpike (Toll Road)	29%	1%
Interstate	25%	5%
U.S. Routes	17%	17%
State Routes	17%	37%
County Roads	13%	40%

while the lowest rate was for those people who had become involved in an accident — only 16.4 percent. Not too surprisingly, the usage rate climbed to 21.2 percent for those who had been involved in a prior accident. A far greater percentage of people used their belts in March (25.5 percent) than they did in September (19.5 percent).

Most of the vehicle occupants questioned said they didn't wear their seat belts because they were uncomfortable. One person in three cited discomfort as

"People do use their seat belts more on the weekends. But they also use them more frequently on the safer superhighways than on the far more dangerous secondary highway systems."

their primary objection to belt usage, and over half of the "other" responses were variations of the uncomfortable-restrictive reply. For example, a great number did not like the pressure applied by the shoulder harness. In the view of many, it "wrinkled clothes," "made me feel tied down" or "got in the way." These "other" responses pushed the uncomfortable or restrictive replies to well over 50 percent of the survey total.

The only other significant response was provided by 17.3 percent of the interviewees who said they did not bother to

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Ohio Belt Use Surveys

(Continued from page 39)

use their belts on short trips. Affirmative responses to the other questions — pertaining to fear of entrapment, a personal preference to be thrown clear, or superior driving skill — were minimal. In fact, these responses were so few that it was no longer felt that it was necessary to refute these particular myths in public information presentations. Instead, the patrol decided to focus their promotions on comfort vs. responsible behavior and the need to use restraints on those short trips during which people mistakenly feel they are safe from death or injury in traffic accidents.

Table 2
Restraint Use vs. Fatalities by Day of Week

Day	Restraint Usage	Percentage of Fatal Accidents
Sunday	23%	16%
Monday	22%	9%
Tuesday	20%	11%
Wednesday	18%	11%
Thursday	19%	14%
Friday	17%	18%
Saturday	22%	21%

The second survey, conducted in September 1982, was much like the first one. The patrol wanted to validate the high usage rate discovered in 1981, once again nonusers were asked why they did not take advantage of the benefits afforded by safety belts. This time, however, the "other" response from the attitude survey was removed. They found that the vast majority of the responses in the "other" category pertained to seat belt comfort or were too vague to classify properly.

The second survey contained two additional items that provided some interesting information about belt usage by highway classification (primary, secondary, etc.) and by day of the week. Here the patrol wanted to find out if the type of highway positively influenced people to wear their restraints and if people were more inclined to buckle up on the weekends because of the increased likelihood of an accident during these periods of peak travel.

In 1982, the number of occupants surveyed climbed to 64,187 while the usage rate slipped a little to 20.0 percent. Once again, over half of those people ques-

tioned (55.8 percent) didn't wear their belts because they thought they were restrictive, wrinkled their clothes, or limited their movements. Another 22.7 percent failed to fasten their restraints when they embarked on a short trip.

The balance of our 1982 survey had, as the old saying goes, "Some good news and some bad news." People do use their seat belts more on the weekends. But they also use them more frequently on the safer superhighways than on the far more dangerous secondary highway systems. In fact, the usage rates by highway were inversely related to the fatal accident experience on that type of highway. We can only conclude that people "buckle up" on the superhighways because they feel less secure at the higher speeds. They fail to wear their belts on short trips over local highways because they are familiar with the roads and probably drive at slower speeds. Table 1 shows the best usage breakdown by highway type compared to fatal accident experience.

"We can only speculate as to what the usage rate during these local trips would be if so many people did not perceive the seat belt as being uncomfortable and intolerably inconvenient," says the patrol.

The good news of this second survey was that usage was highest on weekends, when fatal accidents are most likely to occur. So the usage rates were somewhat more in line with our fatal accident experience by day of the week. Table 2 shows the usage breakdown by days of the week compared to fatal accident experience.

Comfort Before Safety

This second survey validated the findings of the first poll. Again, a majority of motorists placed personal comfort before personal safety. The seat belt promotions following this survey asked the driver to act responsibly by making an honest effort to get accustomed to his seat belt and to set a good example for the other occupants of the vehicle. This reaffirmed their previous contention that most accidents occur close to home and that seat belts should be used on those so-called short trips.

The third survey in 1983 generated more public and media interest than the previous two. In this opinion poll, the question of a mandatory seat belt law and two other controversial issues were raised: our newly-enacted child restraint law and the state's recently repealed

motorcycle helmet law. The questions asked were:

1. Do you usually wear your seat belt?
2. Do you favor a mandatory seat belt law?
3. Do you favor the child restraint law?
4. Would you obey a mandatory seat belt law?
5. Do you favor a motorcycle helmet law?

There were between 55,000 and 67,000 responses to these questions. The variation was due to the considerable number of people who had not made up their minds about certain questions and declined to answer. This reluctance to reply was most evident when people were asked if they favored a mandatory seat belt law.

All three issues pertaining to motorist safety were favored by a majority of those who participated in our survey. An overwhelming 95 percent of those questioned favored the child restraint law, while 88 percent said they would like to see a motorcycle helmet law back on the books. The results were less decisive in the matter of a mandatory belt law, but 56.5 percent of those who had an opinion favored this law. Not surprisingly though, almost 89 percent said they would obey the law if one were enacted.

Feminine Support

Women in every age group were more inclined to favor seat belt, child restraint, and motorcycle helmet laws than were men. Almost two-thirds of those women interviewed favored a mandatory belt law. Without feminine support, there would not have been a favorable majority response to the mandatory seat belt law question.

In only one area did men provide more positive responses than did women. A slightly larger percentage of men (37.9 percent) said they usually wore their seat belts, while only 36.5 percent of the women said they did. Incidentally, the observed statewide usage rate this time was 18.5 percent, about one-half of the declared rate of use.

An incident benefit of this survey was that the patrol did not have to develop a new strategy or promotional theme. The results of the survey were sufficient in themselves to generate a great deal of public and editorial comment. Most of it was favorable.

The 1984 survey was designed to see if seat belt usage varied according to car size. Was use higher in the smaller car

which affords less protection in a crash? This survey also looked at use by position in the vehicle to determine if belts were used more or less frequently in the most hazardous positions within the vehicle; i.e., behind the wheel and in the right front seat.

Table 3
Restraint Use by Vehicle Type

Vehicle Type	Usage Rate
Subcompact	25%
Compact	23%
Intermediate	19%
Full Size	18%
Vans	17%
Trucks (large)	17%
Pickup Trucks	9%

This survey was by far the largest. Ohio state troopers were able to make over 136,000 observations of seat belt use during the month of October. The usage rate among all vehicle occupants was 19 percent. In addition, 75 percent of the children who were required by law to be secured were in a safety seat or seat belt.

As expected, seat belt use in small cars was considerably higher than in larger passenger vehicles. Table 3 shows the breakdown of belt use by car size.

Perhaps, people do feel less secure in a small car and are therefore motivated to wear their seat belts more often.

"Seat belt use in small cars was considerably higher than in larger passenger vehicles. People do feel less secure in a small car and are, therefore, motivated to wear their seat belts more often."

There was no meaningful differences in seat belt usage by position within the vehicle. The variance in use by position rarely exceeded a percentage point or two. The usage rate was almost invariably lowest for the driver but, the difference was always very slight.

The most valuable information to come from this survey showed that belt usage in pickup trucks averaged only 9 percent. This was the lowest rate found in the survey — even surpassed by large trucks in which 17 percent of the occupants were properly restrained.

In summary, the Ohio State Highway Patrol has been able to keep its seat belt

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Ohio Belt Use Surveys

(Continued from page 43)

program vitally effective through the use of surveys conducted at the scene of their public service contacts with motorist. In the process, they have been able to develop several promotions addressing specific problem areas, and make measurable progress toward the solution of these problems. They have also been able to focus on those segments of the driving population in which seat belt usage is minimal.

One of the principal benefits of this survey program, however, has been the opportunity to personally convey their total commitment to seat belts to over 368,000 motorists. These personal contacts with the public undoubtedly have helped to keep seat belt use in Ohio comparatively high, and have made a positive contribution to traffic safety in Ohio.

Over the past four years the patrol has shared the information obtained in these surveys with dozens of professional and civic organizations who share its objective of promoting the greatest possible use of seat belts. NAFA Members interested in the data obtained from any or all of their surveys are welcome to write to:

Col. Jack Walsh
Ohio State Highway Patrol
660 E. Main Street
Columbus, Ohio 43205

Population Covered By State Seat Belt Use Laws

On July 11, 1984, the U.S. Department of Transportation ruled that if states containing two-thirds of the population enact seat belt use laws by April 1, 1989, installation of automatic ("passive") crash protection devices will not be required in new cars.

According to 1984 Census Bureau estimates, total U.S. population is 237 million, of which 158 million would represent two-thirds. To date, state seat belt use laws in 14 states cover or will cover 39 percent of the population as follows (all figures rounded):

State and date law enacted	Effective date	State Population		Total U.S. Population covered by law	
		Millions	% of U.S.	Millions	%
1. New York (7-12-84)	12-1-84	17.7	7.5	17.7	7.5
2. New Jersey (12-8-84)	3-1-85	7.4	3.1	25.1	10.6
3. Illinois (1-1-85)	7-1-85	11.5	4.9	36.6	15.5
4. Missouri (3-5-85)	9-28-85	4.9	2.1	41.5	17.6
5. Michigan (3-8-85)	7-1-85	9.2	3.9	50.7	21.5
6. New Mexico (4-2-85)	1-1-86	1.4	0.6	52.1	22.1
7. Indiana (4-17-85)	7-1-87	5.5	2.3	57.6	24.4
8. North Carolina (5-23-85)	10-1-85	6.0	2.5	63.6	26.9
9. Oklahoma (6-4-85)	2-1-87	3.2	1.4	85.7	36.2
10. Nebraska (6-5-85)	8-1-85	1.6	0.7	87.3	36.9
11. Hawaii (6-5-85)	12-16-85	1.0	0.4	64.6	27.3
12. Texas (6-16-85)	9-1-85	14.8	6.2	79.4	33.5
13. Connecticut (6-27-85)	1-1-86	3.1	1.3	82.5	34.8
14. Louisiana (7-1-85)	7-1-86	4.4	1.9	91.7	38.8

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NAFA Bulletin

The Magazine for Fleet Administrators

October 1985



1986 ESTIMATED GAS MILEAGE FIGURES

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October 1985

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EPA's 1986 Estimated Gas Mileage Figures

MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.	MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.
Sub-Compact Cars						28	32	Honda Civic	L4	91	4
18	23	Audi Coupe GT	A3	136	5	30	35	Honda Civic	M5	91	4
19	25	Audi Coupe GT	M5	136	5	30	33	Honda Civic	M5	91	4
18	22	Audi 4000CS Quattro	M5	136	5	23	30	Honda Prelude	L4	112	4
23	27	Audi 4000S	A3	109	4	24	32	Honda Prelude	M5	112	4
25	30	Audi 4000S	M5	109	4	23	29	Honda Prelude	L4	119	4
23	32	Chevy Camaro	M5	151	4	25	30	Honda Prelude	M5	119	4
19	27	Chevy Camaro	L4	173	6	31	34	Isuzu I-Mark	A3	90	4
17	26	Chevy Camaro	M5	173	6	34	40	Isuzu I-Mark	M5	90	4
17	25	Chevy Camaro	L4	305	8	38	42	Isuzu I-Mark	M5	90	4
16	26	Chevy Camaro	M5	305	8	22	25	Isuzu Impulse	A4	119	4
17	25	Chevy Camaro	L4	305	8	22	28	Isuzu Impulse	M5	119	4
22	28	Chevy Cavalier Cnv	L3	121	4	20	25	Isuzu Impulse	L4	121	4
25	32	Chevy Cavalier Cnv	M4	121	4	20	25	Isuzu Impulse	M5	121	4
24	32	Chevy Cavalier Cnv	M5	121	4	13	17	Jaguar XJ-S	A3	326	12
18	25	Chevy Cavalier Cnv	L3	173	6	15	19	Jaguar XJ6	A3	258	6
18	24	Chevy Cavalier Cnv	M4	173	6	21	25	Lincoln Mercury Capri	A3	140	4
25	30	Chevy Chevette CS	L3	98	4	23	28	Lincoln Mercury Capri	M4	140	4
28	34	Chevy Chevette CS	M4	98	4	19	23	Lincoln Mercury Capri	L3	231	6
27	35	Chevy Chevette CS	M5	98	4	17	25	Lincoln Mercury Capri	M5	302	8
40	46	Chevy Chevette CS	D-M5	111	4	20	23	Merc Benz 190	A4	140	4
31	34	Chevy Spectrum	A3	90	4	21	24	Merc Benz 190	A4	140	4
38	42	Chevy Spectrum	M5	90	4	18	26	Merc Benz 190	M5	140	4
41	43	Chevy Sprint Plus	A3	61	3	19	27	Merc Benz 190	M5	140	4
44	50	Chevy Sprint Plus	M5	61	3	30	34	Merc Benz 190	D-A4	152	5
24	27	Chrysler Laser/Daytona	A3	135	4	29	37	Merc Benz 190	D-M5	152	5
20	24	Chrysler Laser/Daytona	A3	135	4	22	28	Mitsubishi Cordia	M5	110	4
19	28	Chrysler Laser/Daytona	M5	135	4	24	26	Mitsubishi Cordia	L3	122	4
25	35	Chrysler Laser/Daytona	M5	135	4	25	32	Mitsubishi Cordia	M5	122	4
23	25	Chrysler Laser/Daytona	A3	152	4	29	32	Mitsubishi Mirage	L3	90	4
23	32	Chrysler Laser/Daytona	M5	152	4	36	41	Mitsubishi Mirage	M4	90	4
24	27	Chrysler Lebaron Cnv	A3	135	4	33	39	Mitsubishi Mirage	M5	90	4
20	24	Chrysler Lebaron Cnv	A3	135	4	24	26	Mitsubishi Mirage	L3	98	4
23	25	Chrysler Lebaron Cnv	A3	152	4	24	31	Mitsubishi Mirage	M5	98	4
28	33	Dodge Charger	M4	97	4	19	24	Mitsubishi Starion	L4	156	4
31	39	Dodge Charger	M4	97	4	19	24	Mitsubishi Starion	M5	156	4
24	30	Dodge Charger	A3	135	4	22	28	Mitsubishi Tredia	M5	110	4
22	30	Dodge Charger	M5	135	4	24	26	Mitsubishi Tredia	L3	122	4
26	36	Dodge Charger	M5	135	4	24	31	Mitsubishi Tredia	M5	122	4
20	27	Dodge Charger	M5	135	4	27	30	Nissan Pulsar NX	L3	98	4
29	32	Dodge Colt	L3	90	4	31	38	Nissan Pulsar NX	M5	98	4
36	41	Dodge Colt	M4	90	4	27	30	Nissan Sentra	L3	98	4
33	39	Dodge Colt	M5	90	4	31	38	Nissan Sentra	M5	98	4
24	26	Dodge Colt	L3	98	4	45	50	Nissan Sentra	D-M4	103	4
24	31	Dodge Colt	M5	98	4	22	27	Nissan 200 SX	M5	110	4
19	24	Dodge Conquest	L4	156	4	22	28	Nissan 200 SX	L4	120	4
19	24	Dodge Conquest	M5	156	4	22	27	Nissan 200 SX	L4	120	4
24	27	Dodge Daytona	A3	135	4	17	25	Nissan 300 ZX 2+2	L4	181	6
20	24	Dodge Daytona	A3	135	4	18	26	Nissan 300 ZX 2+2	M5	181	6
19	28	Dodge Daytona	M5	135	4	29	32	Plymouth Colt	L3	90	4
25	35	Dodge Daytona	M5	135	4	36	41	Plymouth Colt	M4	90	4
23	25	Dodge Daytona	A3	152	4	33	39	Plymouth Colt	M5	90	4
23	32	Dodge Daytona	M5	152	4	24	26	Plymouth Colt	L3	98	4
24	27	Dodge 600 Cnv	A3	135	4	24	31	Plymouth Colt	M5	98	4
20	24	Dodge 600 Cnv	A3	135	4	19	24	Plymouth Conquest	L4	156	4
23	25	Dodge 600 Cnv	A3	152	4	19	24	Plymouth Conquest	M5	156	4
25	30	Ford Laser*	A3	98	4	28	33	Plymouth Turismo	M4	97	4
26	30	Ford Laser*	M4	98	4	31	39	Plymouth Turismo	M4	97	4
21	25	Ford Mustang	A3	140	4	24	30	Plymouth Turismo	A3	135	4
23	28	Ford Mustang	M4	140	4	22	30	Plymouth Turismo	M5	135	4
20	26	Ford Mustang	M5	140	4	26	35	Plymouth Turismo	M5	135	4
19	23	Ford Mustang	L3	231	6	23	32	Pontiac Firebird	M5	151	4
17	25	Ford Mustang	M5	302	8	19	27	Pontiac Firebird	L4	173	6
24	30	Honda Accord	L4	119	4	17	26	Pontiac Firebird	M5	173	6
27	33	Honda Accord	M5	119	4	17	25	Pontiac Firebird	L4	305	8
23	29	Honda Accord	L4	119	4	16	26	Pontiac Firebird	M5	305	8
25	30	Honda Accord	M5	119	4	17	25	Pontiac Firebird	L4	305	8
37	43	Honda Civic	M4	82	4						

(Continued on page 12)

EPA Gas Mileage Figures

(Continued from page 10)

MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.
41	43	Pontiac Firefly*	A3	61	3
44	50	Pontiac Firefly*	M5	61	3
20	27	Pontiac Sunbird Conv	L3	110	4
24	30	Pontiac Sunbird Conv	L3	110	4
21	28	Pontiac Sunbird Conv	M4	110	4
26	35	Pontiac Sunbird Conv	M5	110	4
25	30	Pontiac 1000	L3	98	4
28	34	Pontiac 1000	M4	98	4
27	34	Pontiac 1000	M5	98	4
21	23	Renault Alliance Cnv	A3	105	4
27	32	Renault Alliance Cnv	M5	105	4
20	24	Renault Fuego	A3	132	4
23	31	Renault Fuego	M5	132	4
8	11	Rolls-Royce Corniche II/Cont.	A3	412	8
31	36	Subaru Hatchback	M4	97	4
28	32	Subaru Hatchback	M5	97	4
23	25	Subaru Hatchback	L3	109	4
26	31	Subaru Hatchback	M5	109	4
24	27	Subaru XT	L3	109	4
23	25	Subaru XT	L3	109	4
25	32	Subaru XT	M5	109	4
25	30	Subaru XT	M5	109	4
41	43	Suzuki Forsa V	A3	61	3
44	50	Suzuki Forsa V	M5	61	3
23	29	Toyota Celica	L4	122	4
25	30	Toyota Celica	L4	122	4
25	31	Toyota Celica	M5	122	4
23	29	Toyota Celica	M5	122	4
19	24	Toyota Celica Supra	L4	168	6
18	22	Toyota Celica Supra	M5	168	6
27	33	Toyota Corolla Sport	L4	97	4
28	33	Toyota Corolla Sport	M5	97	4
26	31	Toyota Corolla Sport	M5	97	4
30	32	Toyota Tercel	A3	89	4
35	39	Toyota Tercel	M4	89	4
31	38	Toyota Tercel	M5	89	4
23	25	Volkswagen Scirocco	A3	109	4
24	29	Volkswagen Scirocco	M5	109	4

*Available in Puerto Rico only.

Compact Cars

23	29	BMW 5-Series	D-L4	149	6
18	24	BMW 5-Series	L4	164	6
20	24	BMW 5-Series	M5	164	6
24	31	Buick Skyhawk	L3	110	4
20	27	Buick Skyhawk	L3	110	4
21	28	Buick Skylark	M4	110	4
27	37	Buick Skylark	M5	110	4
23	29	Buick Skylark	L3	121	4
25	32	Buick Skylark	M4	121	4
23	32	Buick Somerset/Skylark	L3	151	4
23	34	Buick Somerset/Skylark	M5	151	4
19	27	Buick Somerset/Skylark	L3	181	6
22	27	Cadillac Cimarron	L3	121	4
24	32	Cadillac Cimarron	M5	121	4
18	25	Cadillac Cimarron	L3	173	6
17	22	Cadillac Cimarron	M4	173	6
23	29	Chevy Cavalier	L3	121	4
26	33	Chevy Cavalier	M4	121	4
24	32	Chevy Cavalier	M5	121	4
19	24	Chevy Cavalier	L3	173	6
19	26	Chevy Cavalier	M4	173	6
28	32	Chevy Nova	L3	97	4
30	37	Chevy Nova	M5	97	4
28	33	Dodge Omni	M4	97	4
31	39	Dodge Omni	M4	97	4
24	29	Dodge Omni	A3	135	4
22	30	Dodge Omni	M5	135	4
26	35	Dodge Omni	M5	135	4

MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.
20	27	Dodge Omni	M5	135	4
25	30	Ford Escort	A3	113	4
32	41	Ford Escort	M4	113	4
27	34	Ford Escort	M5	113	4
22	28	Ford Escort	A3	113	4
24	33	Ford Escort	M5	113	4
36	43	Ford Escort	D-M5	122	4
41	49	Ford Escort FS	D-M5	122	4
36	44	Ford Tempo	D-M5	122	4
18	22	Ford Thunderbird	A3	140	4
20	26	Ford Thunderbird	M5	140	4
19	26	Ford Thunderbird	A4	231	6
19	23	Ford Thunderbird	L3	231	6
18	22	Linc-Merc Cougar	A3	140	4
20	26	Linc-Merc Cougar	M5	140	4
19	26	Linc-Merc Cougar	A4	231	6
19	23	Linc-Merc Cougar	L3	231	6
25	30	Linc-Merc Lynx	A3	113	4
32	41	Linc-Merc Lynx	M4	113	4
27	34	Linc-Merc Lynx	M5	113	4
22	28	Linc-Merc Lynx	A3	113	4
24	32	Linc-Merc Lynx	M5	113	4
36	43	Linc-Merc Lynx	D-M5	122	4
36	44	Linc-Merc Topaz	D-M5	122	4
25	30	Mazda 323	A3	98	4
26	30	Mazda 323	M4	98	4
28	34	Mazda 323	M5	98	4
24	28	Mazda 626	A3	122	4
22	28	Mazda 626	M5	122	4
26	32	Mazda 626	M5	122	4
18	22	Mer Benz 300E	A4	181	6
18	25	Mer Benz 300E	M5	181	6
14	16	Mer Benz 560SEC	A4	338	8
16	22	Mercur XR4Ti	A3	140	4
19	24	Mercur XR4Ti	M5	140	4
21	26	Mitsubishi Galant	L4	143	4
18	24	Nissan Maxima	L4	181	6
19	26	Nissan Maxima	M5	181	6
23	26	Nissan Stanza	L3	120	4
26	33	Nissan Stanza	M5	120	4
23	32	Olds Calais	L3	151	4
23	34	Olds Calais	M5	151	4
19	27	Olds Calais	L3	181	6
20	27	Olds Firenza	L3	110	4
24	31	Olds Firenza	L3	110	4
21	28	Olds Firenza	M4	110	4
27	37	Olds Firenza	M5	110	4
23	29	Olds Firenza	L3	121	4
25	32	Olds Firenza	M4	121	4
19	24	Olds Firenza	L3	173	6
19	26	Olds Firenza	M4	173	6
20	23	Peugeot 505 Sedan	L4	120	4
20	24	Peugeot 505 Sedan	M5	120	4
19	22	Peugeot 505 Sedan	L4	131	4
19	24	Peugeot 505 Sedan	M5	131	4
28	33	Plymouth Horizon	M4	97	4
31	39	Plymouth Horizon	M4	97	4
24	29	Plymouth Horizon	A3	135	4
26	35	Plymouth Horizon	M5	135	4
23	32	Pontiac Grand Am	L3	151	4
23	34	Pontiac Grand Am	M5	151	4
19	27	Pontiac Grand Am	L3	181	6
24	31	Pontiac Sunbird	L3	110	4
20	27	Pontiac Sunbird	L3	110	4
21	28	Pontiac Sunbird	M4	110	4
27	37	Pontiac Sunbird	M5	110	4
26	30	Renault Alliance/Encore	A3	85	4
32	38	Renault Alliance/Encore	M4	85	4
35	41	Renault Alliance/Encore	M4	85	4
33	39	Renault Alliance/Encore	M5	85	4
24	28	Renault Alliance/Encore	A3	105	4
30	37	Renault Alliance/Encore	M5	105	4
8	11	Rolls Royce Camarque	A3	412	8
19	23	Saab 900	A3	121	4

MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.
18	22	Saab 900	A3	121	4
21	28	Saab 900	M5	121	4
20	26	Saab 900	M5	121	4
20	24	Saab 900	M5	121	4
26	31	Subaru Sedan	M5	109	4
23	25	Subaru Sedan	L3	109	4
25	27	Subaru Sedan	L3	109	4
25	30	Subaru Sedan	M5	109	4
24	29	Subaru Sedan 4WD	M5	109	4
30	36	Toyota Camry	D-L4	120	4
26	32	Toyota Camry	L4	122	4
28	34	Toyota Camry	M5	122	4
28	33	Toyota Corolla	L3	97	4
28	35	Toyota Corolla	L4	97	4
31	37	Toyota Corolla	M5	97	4
19	23	Toyota Cressida	L4	168	6
19	24	Toyota Cressida	M5	168	6
37	44	VW Golf	D-M5	97	4
23	27	VW Golf	A3	109	4
27	34	VW Golf	M5	109	4
26	31	VW GTI	M5	109	4
37	44	VW Jetta	D-M5	97	4
36	43	VW Jetta	D-M5	97	4
23	27	VW Jetta	A3	109	4
27	34	VW Jetta	M5	109	4
23	27	VW Jetta GLI	A3	109	4
26	31	VW Jetta GLI	M5	109	4
18	22	VW Quantum	A3	136	5
19	24	VW Quantum	M5	136	5
21	24	Volvo 240DL/GL	A4	141	4
23	28	Volvo 240DL/GL	M4	141	4

Mid-Size Cars

17	25	Audi 5000CS Quattro	M5	136	5
18	22	Audi 5000S	A3	136	5
19	26	Audi 5000S	M5	136	5
22	32	Buick Century	L3	151	4
19	26	Buick Century	L3	173	6
20	28	Buick Century	L4	173	6
19	29	Buick Century	L4	231	6
18	24	Buick Regal	L3	231	6
17	24	Buick Regal	L4	231	6
17	23	Buick Regal	L3	307	8
18	25	Buick Regal	L4	307	8
19	30	Buick Riviera	L4	231	6
17	26	Cadillac Eldorado	L4	249	8
17	26	Cadillac Seville	L4	249	8
22	32	Chevy Celebrity	L3	151	4
23	31	Chevy Celebrity	M4	151	4
19	26	Chevy Celebrity	L3	173	6
20	28	Chevy Celebrity	L4	173	6
18	25	Chevy Celebrity	L3	173	6
19	28	Chevy Celebrity	L4	173	6
18	23	Chevy Monte Carlo	L3	262	6
18	27	Chevy Monte Carlo	L4	262	6
17	25	Chevy Monte Carlo	L4	305	8
20	24	Chry Lebaron	A3	135	4
24	27	Chry Lebaron	A3	135	4
23	25	Chry Lebaron	A3	152	4
20	24	Chry Lebaron GTS	A3	135	4
24	27	Chry Lebaron GTS	A3	135	4
19	28	Chry Lebaron GTS	M5	135	4
25	35	Chry Lebaron GTS	M5	135	4
23	25	Chry Lebaron GTS	A3	152	4
23	32	Chry Lebaron GTS	M5	152	4
19	23	Chry Limousine	A3	135	4
20	24	Chry New Yorker	A3	135	4
23	25	Chry New Yorker	A3	152	4
16	21	Chry Newport 5th Ave.	L3	318	8
24	28	Dodge Aries	A3	135	4
25	35	Dodge Aries	M5	135	4
23	26	Dodge Aries	A3	152	4
16	21	Dodge Diplomat	L3	318	8
24	27	Dodge Lancer	A3	135	4

MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.
20	24	Dodge Lancer	A3	135	4
19	28	Dodge Lancer	M5	135	4
25	35	Dodge Lancer	M5	135	4
23	25	Dodge Lancer	A3	152	4
23	32	Dodge Lancer	M5	152	4
20	24	Dodge 600	A3	135	4
24	27	Dodge 600	A3	135	4
23	25	Dodge 600	A3	152	4
21	25	Ford LTD	A3	140	4
19	23	Ford LTD	L3	231	6
18	26	Linc-Merc Continental	L4	302	8
18	26	Linc-Merc Mark VII	L4	302	8
21	25	Linc-Merc Marquis	A3	140	4
19	23	Linc-Merc Marquis	L3	231	6
15	18	Mer Benz 420SEL	A4	256	8
14	16	Mer Benz 560SEL	A4	338	8
22	32	Olds Cutlass Ciera	L3	151	4
19	26	Olds Cutlass Ciera	L3	173	6
20	28	Olds Cutlass Ciera	L4	173	6
18	25	Olds Cutlass Ciera	L3	173	6
19	28	Olds Cutlass Ciera	L4	173	6
19	30	Olds Cutlass Ciera	L4	231	6
18	24	Olds Cutlass Supreme	L3	231	6
17	23	Olds Cutlass Supreme	L3	307	8
18	25	Olds Cutlass Supreme	L4	307	8
19	30	Olds Toronado	L4	231	6
24	27	Plymouth Caravelle	A3	135	4
20	24	Plymouth Caravelle	A3	135	4
23	25	Plymouth Caravelle	A3	152	4
16	21	Plymouth Gran Fury	L3	318	8
24	28	Plymouth Reliant	A3	135	4
25	35	Plymouth Reliant	M5	135	4
23	26	Plymouth Reliant	A3	152	4
18	24	Pontiac Bonneville	L3	231	6

(Continued on page 14)

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EPA Gas Mileage Figures

(Continued from page 13)

MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.
18	23	Pontiac Bonneville	L3	262	6
18	27	Pontiac Bonneville	L4	262	6
17	25	Pontiac Bonneville	L4	305	8
18	24	Pontiac Grand Prix	L3	231	6
18	23	Pontiac Grand Prix	L3	262	6
18	27	Pontiac Grand Prix	L4	262	6
17	25	Pontiac Grand Prix	L4	305	8
22	32	Pontiac 6000	L3	151	4
19	26	Pontiac 6000	L3	173	6
20	28	Pontiac 6000	L4	173	6
18	24	Pontiac 6000	L3	173	6
18	26	Pontiac 6000	L4	173	6
9	10	Rolls Sil Spirit	A3	412	8
19	22	Volvo 740/760	A4	141	4
22	25	Volvo 740/760	L4	141	4
20	25	Volvo 740/760	M4	141	4
23	28	Volvo 740/760	M4	141	4
24	27	Volvo 740/760	D-L4	145	6
18	22	Volvo 740/760	A4	174	6

Large Cars

19	30	Buick Electra	L4	231	6
19	30	Buick LeSabre	L4	231	6
17	26	Cad. DeVille	L4	249	8
18	25	Cad. Fltwd Brougham	L4	307	8
17	24	Cad. Limousine	L4	249	8
18	23	Chevy Caprice	L3	262	6
18	25	Chevy Caprice	L4	262	6
17	25	Chevy Caprice	L4	305	8
18	25	Chevy Caprice	L4	307	8
18	26	Ford LTD Cr. Vic.	L4	302	8
18	26	Linc-Merc Gr Marquis	L4	302	8
18	26	Linc-Merc Town Car	L4	302	8
19	30	Olds Delta 88 Royale	L4	231	6
19	30	Olds Ninety-Eight Regency	L4	231	6
18	23	Pontiac Parisienne	L3	262	6
18	25	Pontiac Parisienne	L4	262	6
17	25	Pontiac Parisienne	L4	305	8
18	25	Pontiac Parisienne	L4	307	8
8	10	Rolls Sil Spur Limo	A3	412	8
21	28	Saab 9000	M5	121	4

Small Station Wagons

24	31	Buick Skyhawk Wagon	L3	110	4
27	37	Buick Skyhawk Wagon	M5	110	4
23	29	Buick Skyhawk Wagon	L3	121	4
25	32	Buick Skyhawk Wagon	M4	121	4
23	29	Chevy Cavalier Wagon	L3	121	4
25	32	Chevy Cavalier Wagon	M4	121	4
24	32	Chevy Cavalier Wagon	M5	121	4
18	25	Chevy Cavalier Wagon	L3	173	6
19	26	Chevy Cavalier Wagon	M4	173	6
23	24	Dodge Colt Vista	L3	122	4
24	29	Dodge Colt Vista	M5	122	4
25	30	Ford Escort Wagon	A3	113	4
32	41	Ford Escort Wagon	M4	113	4
27	34	Ford Escort Wagon	M5	113	4
36	43	Ford Escort Wagon	D-M5	122	4
28	32	Honda Civic Wagon	L4	91	4
30	35	Honda Civic Wagon	M5	91	4
25	30	Linc-Merc Lynx Wagon	A3	113	4
32	41	Linc-Merc Lynx Wagon	M4	113	4
27	34	Linc-Merc Lynx Wagon	M5	113	4
36	43	Linc-Merc Lynx Wagon	D-M5	122	4
22	23	Mazda GLC Wagon*	A3	91	4
25	29	Mazda GLC Wagon*	M4	91	4
25	30	Mazda GLC Wagon*	M5	91	4
23	24	Mitsubishi Space Wagon*	L3	122	4
18	24	Nissan Maxima Wagon	L4	181	6
27	30	Nissan Sentra Wagon	L3	98	4

MPG City	MPG Hwy	Make	Trans- mission	CID	Cyl.
31	38	Nissan Sentra Wagon	M5	98	4
24	31	Olds Firenza Cruiser	L3	110	4
27	37	Olds Firenza Cruiser	M5	110	4
23	29	Olds Firenza Cruiser	L3	121	4
25	32	Olds Firenza Cruiser	M4	121	4
18	25	Olds Firenza Cruiser	L3	173	6
19	25	Olds Firenza Cruiser	M4	173	6
23	24	Plymouth Colt Vista	L3	122	4
24	29	Plymouth Colt Vista	M5	122	4
24	31	Pontiac Sunbird Wagon	L3	110	4
27	37	Pontiac Sunbird Wagon	M5	110	4
20	24	Renault 181 Sp. Wagon	A3	132	4
23	31	Renault 181 Sp. Wagon	M5	132	4
26	31	Subaru Wagon	M5	109	4
25	26	Subaru Wagon	L3	109	4
23	25	Subaru Wagon	L3	109	4
25	30	Subaru Wagon	M5	109	4
28	31	Toyota Tercel Wgn 2WD	A3	89	4
31	37	Toyota Tercel Wgn 2WD	M5	89	4
24	25	Toyota Tercel Wgn 4WD	A3	89	4
27	32	Toyota Tercel Wgn 4WD	M5	89	4
22	25	VW Quantum Wagon	A3	109	4
25	31	VW Quantum Wagon	M5	109	4

* Available in Puerto Rico only.

Mid-Size Station Wagons

17	25	Audi 5000CS Quattro Wagon	M5	136	5
17	22	Audi 5000S Wagon	A3	136	5
19	25	Audi 5000S Wagon	M5	136	5
21	28	Buick Century Wgn	L3	151	4
19	25	Buick Century Wgn	L3	173	6
19	25	Buick Century Wgn	L4	173	6
19	30	Buick Century Wgn	L4	231	6
22	31	Chevy Celebrity Wgn	L3	151	4
23	31	Chevy Celebrity Wgn	M4	151	4
19	25	Chevy Celebrity Wgn	L3	173	6
19	25	Chevy Celebrity Wgn	L4	173	6
18	24	Chevy Celebrity Wgn	L3	173	6
18	26	Chevy Celebrity Wgn	L4	173	6
20	24	Chry Town & Country Wgn	A3	135	4
23	25	Chry Town & Country Wgn	A3	152	4
24	27	Dodge Aries Wgn	A3	135	4
25	35	Dodge Aries Wgn	M5	135	4
23	25	Dodge Aries Wgn	A3	152	4
19	22	Ford LTD Wgn	L3	231	6
19	23	Linc Merc Marq Wgn	L3	231	6
20	25	Nissan Stanza Wgn 2WD	L4	120	4
23	28	Nissan Stanza Wgn 2WD	M5	120	4
21	28	Olds Cutl Cruiser	L3	151	4
19	25	Olds Cutl Cruiser	L3	173	6
19	25	Olds Cutl Cruiser	L4	173	6
18	24	Olds Cutl Cruiser	L3	173	6
18	26	Olds Cutl Cruiser	L4	173	6
20	23	Peugeot 505 St Wgn	L4	120	4
20	24	Peugeot 505 St Wgn	M5	120	4
19	22	Peugeot 505 St Wgn	L4	131	4
24	27	Plymouth Reliant Wgn	A3	135	4
25	35	Plymouth Reliant Wgn	M5	135	4
23	25	Plymouth Reliant Wgn	A3	152	4
21	28	Pontiac 6000 Wgn	L3	151	4
19	25	Pontiac 6000 Wgn	L3	173	6
19	25	Pontiac 6000 Wgn	L4	173	6
18	24	Pontiac 6000 Wgn	L3	173	6
18	26	Pontiac 6000 Wgn	L4	173	6
19	23	Toyota Cressida Wgn	L4	158	6
21	24	Volvo 240DL/GL Wgn	A4	141	4
23	28	Volvo 240DL/GL Wgn	M4	141	4
19	22	Volvo 740/760 Wgn	A4	141	4
22	26	Volvo 740/760 Wgn	L4	141	4
23	28	Volvo 740/760 Wgn	M4	141	4
20	25	Volvo 740/760 Wgn	M4	141	4
24	27	Volvo 740/760 Wgn	D-L4	145	6

Ford on Imports:

Japan's Hold on Market Is Tough To Break

Ford recently held its annual new car show in Las Vegas, Nevada. Fleet managers were invited to view Ford's offerings for the new model year and to hear Ford executives discuss their opinions about the state of today's automobile industry.

The following article is based on a presentation delivered by Robert Rewey, Vice President and General Manager, Ford Division. Like many of his peers in the business, Rewey is optimistic about the growing stability of our economy but concerned about Japan's increasing hold over the U.S. automobile market.

THE COMING YEAR is going to be an exciting, very competitive and important year for all of us. I'm sure you realize that we are living through an era of rapid change — the most dramatic in the history of the U.S. automobile industry. Changes are evident in the economy, in our laws, in consumer attitudes, and in the structure of international competition. All of these changes are coming together to have dramatic effects on the way we conduct business today and the way we will conduct business in the future.

I believe that there are two key issues which will greatly affect our future. They are: industry outlook for the coming year, and the overwhelming boom in the sale of Japanese car imports.

I'd like to start with the general health of the economy, particularly as it relates to the car and truck business. Gross National Product or GNP is the broadest measure of economic activity. For the past several years, GNP has been on the rise, reflecting the healthy economy we've had in 1983, 1984 and so far in 1985. Even though we have virtually recovered the ground lost in 1980-1982, the consensus of economists now is that we'll see

growth in GNP of about 3 percent in the third quarter of 1985 and again in the fourth quarter. They expect that growth to continue, perhaps up to 4 percent through 1986.

Even if these predictions come true, this boom period that started in late 1982 will still not be the longest expansion the U.S. economy has experienced since World War II.

According to leading economic indicators, there hasn't been a whole lot of "direction." The leading indicators have been "flat" for more than a year now. "Flat" means a continuation of what we've had — and that's been a healthy economy.

Personal income continues to grow and higher discretionary income is what has sustained the current boom in our car and truck business. There are certainly no signs of weakness here.

The job situation is very strong. The unemployment rate has remained at about 7.3 percent for several months. Actually, it hasn't changed much for about a year. That's not as low as it traditionally was in the 1970's, but it is a lot lower than any other figure we have seen in this decade.

Consumer Price Index

Perhaps the best measure of inflation is the consumer price index. We're expecting inflation for 1985 to be less than 4 percent. In fact, in the last two months, it's been running at only 2.4 percent, and we are not expecting much change for 1986.

OF COURSE, THE major indicator that bodes well for business is the stability in the prime rate at 9½ percent — the lowest since 1977. We project that it will stay there for the remainder of the year and into 1986. There's a growing feeling at Ford Credit that rates may drop even lower in 1986.

Another piece of good news for our industry and for the country as a whole is our projection that the

(Continued on page 24)

Ford on Imports

(Continued from page 20)

price of gasoline will continue to decline for the next ten years — in terms of real dollars — while the fleet on the road will continue to become more fuel efficient. What a change! It wasn't that long ago that we were talking about \$2 and \$3 a gallon gasoline and the demise of all cars except sub-compacts.

The most important fact in all of these economic statistics is that people feel good about what's happening — they're confident about the economy. Consumer confidence is the most important measure of future strength in our business. This measure of consumer confidence has been extremely strong for nearly three years now, and it's remaining at a very high level.

Here's where we see all of this paying off in sales:

Between 1979 and 1983, Japanese manufacturers sold fewer than 2 million cars in this country. That figure increased to about 2 million in 1984. This year, with the removal of voluntary restraints, it will probably jump to 2.4 million, and next year the figure could skyrocket to 2.9 million.

Domestic auto makers saw healthy sales last year — about 7.6 million. We will sell about the same number, actually 7.7 million this year. But next year, domestic volume could drop 9 percent to about 7.0 million cars.

Truck Sales Up

A boom has hit the truck business. This year, the industry will sell about 4.6 million trucks — an all-time record.

Sales of Japanese trucks jumped to 700,000 in 1984 and are expected to reach about 800,000 this year. That's a tremendous increase over the 2 or 300,000 trucks that were sold here in the late 1970's.

Other foreign manufacturers are now selling about 100,000 trucks a year in the United States.

The most significant cause of the tremendous growth in the truck business is substitution for cars. In 1978, truck sales accounted for 39 percent of car sales; that was the era of the recreational vehicle. Many people bought an "RV" instead of another car. As gas prices escalated in the early 80's, gas-guzzling truck sales dropped. By 1981, the relationship of truck sales to car sales had dropped to 27 percent. But the number is climbing again. This year, truck sales will probably account for 43 percent of car sales — an all-time high.

THERE ARE TWO reasons for this: the tremendous popularity of compact pickup and utility trucks, and more importantly, the incredible growth of compact vans and wagons.

Japanese Imports

I'd like to share with you Ford's position on the growing importation of Japanese vehicles. In

1970, Japanese manufacturers had less than 4 percent of the market, but they built momentum until the early 1980's when they reached a market share of 22.6 percent. Voluntary restraints were then implemented and their momentum was slowed down. In 1984, Japanese cars accounted for 19.3 percent of all cars sold. With the removal of voluntary restraints in April, they began to build up steam again. For the first seven months of the year, they were running at a 20 percent share. But it's important to note that in July, they took nearly 25 percent of the market. We are now projecting that they will end the year with 22 or 23 percent of

"Another piece of good news for our industry and for the country as a whole is our projection that the price of gasoline will continue to decline for the next ten years — in terms of real dollars — while the fleet on the road continues to become more fuel efficient."

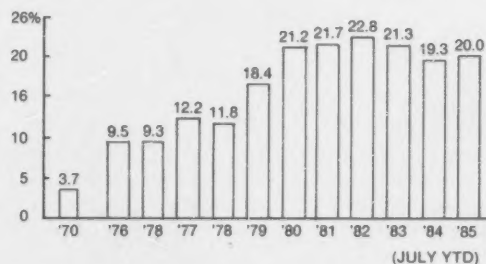
the market. If our government does not take any decisive action in 1986, their shares could go as high as 26 or 28 percent.

There are many people in academia and politics who are committed to the credo of "free trade." The arguments for open markets sound so theoretically convincing, but in today's real world, they don't work. And it's having a severe impact on a big share of American business — not just the auto sector.

This country's merchandise trade deficit is out of control. Prior to 1976, we ran a trade surplus. In 1983, the deficit was \$63 billion. In 1984, \$123 billion and this year it will probably be about \$150 billion.

I mentioned earlier that employment levels were continuing to climb. But these are mostly "service jobs." According to a recent *New York Times* article, we're losing our manufacturing jobs rapidly.

JAPANESE CAR MARKET SHARE



In the last six years, this country has lost well over one million jobs in industries such as machinery production, primary metal making, fabricated metals, motor vehicle production, textiles, and the garment industry.

In 1984, the U.S. showed a deficit of \$37 billion — about \$20 billion of that was accounted for by imports of Japanese vehicles. This year, it's expected to be \$50 billion, with autos accounting for about \$28 billion of that deficit.

SINCE 1970, PRODUCTION in Japan has increased steadily from 5.3 million vehicles to 12.4 million in 1984. And it's projected to increase to 13.1 million this year. The significant point is that domestic sales in Japan have remained relatively flat so that virtually the entire increase in production capacity is dedicated to exports. The recipient of the output from this capacity has been the United States — about 42 percent of their total 1984 exports were shipped here — 2.8 million. In 1985, that will probably increase to 47 percent of their exports.

"Everyone has probably heard about the 'Japanese cost advantage.' Expert opinions vary some, but it is generally recognized that the Japanese can produce a car for somewhere between \$2000 and \$2500 less than a U.S. producer."

Most of the free world has imposed strict limits on Japanese imports. France, for example, imposes an 11 percent import duty on Japanese cars and limits their market share to three percent. Germany and the United Kingdom impose a similar import duty and limit Japanese market share to 10 percent and 11 percent respectively. Italy has also shown an 11 percent import duty, but they have a share-volume restriction of only 11 percent.

Only 3 Percent in U.S.

In the United States, we have only a 3 percent import duty on cars and the Japanese have indicated they'll limit their exports here to 2.3 million cars — for 1985 only. It appears that we're the only people in the world that believe in "free trade."

The amount of Japanese content in Japanese vehicles that are being made in the United States is also rising. In 1985, Nissan and Honda will produce approximately 500,000 vehicles in this country. As best as we can determine, about half of the components in those vehicles are produced in Japan so they could be regarded as the equivalent of an additional 250,000 Japanese imports in this country. By 1987, there will probably be a million equivalent to another 500,000 imports.

EVERYONE HAS PROBABLY heard about the "Japanese cost advantage." Expert opinions vary some, but it's generally recognized that the Japanese can produce a car for somewhere between \$2000 and \$2500 less than a U.S. producer. About \$950-\$1150 of that money is accounted for by the advantages the Japanese have in product techniques, inventory systems, labor costs, and other factors that we — the domestic industry — should be prepared to compete with the Japanese on. However, the remaining money is something that the domestic manufacturers cannot do anything about. About \$750 of the cost advantage is accounted for by an under-valuation of the yen vis-a-vis the U.S. dollar. Approximately \$300 to \$600 is accounted for by Japanese tax policies (VAT) which provide a

(Continued on page 58)

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New Car Survey Reveals Purchasing Plans For Public Utility and Government Groups

Last month's issue carried the new car acquisition plans for both the U.S. Commercial and Canadian fleet groups. The purchasing plans for the Public Utilities Group and Government Group are described below. The results are based on NAFA's New Car Acquisition Survey.

Public Utilities Group

The Public Utilities Group consists of 15 fleets operating 10,209 passenger cars (9,317 company-owned, 892 leased). The current composition of these fleets is 69 percent sub-compacts, 17 percent compacts, 10 percent mid-size, and four percent large cars.

During the 1985 model year these fleets acquired 1,220 new vehicles. They plan to acquire 1,311 passenger cars and vans during the 1986 model year.

No one in the public utilities group is making any major changes in their car policies for 1986.

Fifty-three percent of the group's 1986 new car acquisitions will be sub-compact cars; 29 percent will be compact cars; 16 percent will be mid-size cars, and two percent large cars. Fifty-eight percent of the new car acquisitions will be bottom-line models; 40 percent of the vehicles will be middle-

line models, with only two percent of the vehicles top-of-the-line models.

Three fleets in the group are planning to order some new mini-vans during the coming year (only slightly more than one percent of the total new car orders). Four-door sedans will account for 76 percent of the new car orders, with five-door hatchbacks accounting for 23 percent. One percent of the orders will be for station wagons.

No fleet in the group is planning to order any two-door specialty models, but one fleet did indicate that for the first time they will be allowed to compete on bids for import cars in 1986. One fleet did report it had import cars in service, but did not indicate how many.

The Public Utility fleets participating in the annual new car acquisition survey are currently using the following engines in their fleet: four-cylinder engines in sub-compacts and compacts, six-cylinder engines in mid-size cars, and eight-cylinder engines in their few large cars.

Asked if they were planning any change in engines for 1986, the answer from the 15 respondents was "no." However, when asked if they plan to use standard transmission on their 1986 cars, three said "yes." Two are using it on their sub-

(Continued on page 59)

Summary of Options On All Cars

Group	AM/FM Stereo	Power Disc Brakes	Power Steering	Automatic Trans.	S/B/R Tires	Air Cond.	Tinted Glass	Vinyl Roof	Tilt Wheel	Power Door Locks	Power Windows	Cruise Control
Public Utility												
Large(8)	6	*	*	*	5	7	6	—	4	4	4	7
Mid-Size (9)	7	9	9	9	7	8	8	—	4	2	2	6
Compact (10)	1	9	9	8	7	9	8	—	1	—	—	—
Sub-Compact (6)	—	3	3	4	3	5	4	—	—	—	—	1
Government, Law Enforcement, Education												
Large (10)	3	*	*	*	5	10	10	1	4	4	5	5
Mid-Size (12)	4	9	12	11	8	10	10	1	4	1	1	6
Compact (7)	4	5	7	6	4	5	5	1	1	—	—	3
Sub-Compact (5)	—	—	—	—	—	—	—	—	—	—	—	—

NOTE: The figure in () beside the car size indicates the number of fleets in each group ordering that size car. The number under the items of equipment is the number of fleets in each group ordering the item for every car of that size at no expense to the operator.

*Standard equipment on large cars.

New Car Survey: Part II

(Continued from page 34)

compact cars, and one said on all their cars.

Thirteen of the public utility fleets do not permit the operator of their company-provided vehicles to have a choice of car and equipment, while only two allow the operator to select the make and accessories.

Government Group

The Government Group consists of 18 fleets operating 11,871 passenger cars (11,791 company-owned, 80 leased). Included in the group are law enforcement, government agencies other than law enforcement and educational institutions.

The current composition of these fleets is three percent sub-compact, 13 percent compact, 35 percent mid-size, and 49 percent large cars.

During the 1985 model year these fleets acquired 2,320 new vehicles. They plan to acquire 2,636 passenger cars during the 1986 model year. Fifty-seven percent of the group's new car acquisitions will be large cars; 36 percent will be mid-size cars; six percent will be compact cars, and one percent will be sub-compact cars. Thirty-five percent of the new car acquisitions will be bottom-line models; 51 percent of the vehicles will be middle-line models, and 14 percent will be top-of-the-line models.

Four-door sedans will account for 90 percent of

the new car orders, with 2-doors accounting for four percent and five-door hatchbacks accounting for two percent. One percent of the orders will be for station wagons with three percent of the group planning to order some new mini-vans during the coming year.

One fleet did indicate that they are planning to order two-door specialty models. Four fleets reported that they have imports already in service but no fleet said that they were planning to purchase imports for the 1986 model year. One interesting comment about the use of imports came from one of the fleet managers in this group who wrote the number of imports is "classified."

The Government Group fleets participating in the annual new car acquisition survey are currently using the following engines in their fleet: four-cylinder engines in sub-compacts and compacts, six-cylinder engines in mid-size cars, and eight-cylinder engines in their few large cars.

Asked if they were planning any change in engines for 1986, two fleets said they were changing to four-cylinder engines in their mid-size units. When asked if they plan to use standard transmission on their 1986 cars, no one in the group said that they were ordering standard transmission.

Sixteen of the government fleets do not permit the operator a choice of car and equipment, while two do allow the operator to select the make, model, engine, and transmission but not accessories. ■

Job Delegation

(Continued from page 26)

dance, but assures the subordinate that it's his ball and he must run with it.

The "C" stands for Control, a necessary ingredient when giving authority and responsibility. This can be pursued through records, reports, periodic evaluation, or quite often, just personal observation. You can use this occasion to advise your subordinates how they are doing and recognize their efforts.

How sharp are you at delegating? A score of 16 points on the following self-evaluation quiz indicates that you are doing fine.

Score yourself as follows on the questions below: ALWAYS—3 points; MOST OF THE TIME—2 points; NEEDS IMPROVEMENT—1 point.

Points

1. Do you refrain from taking work home at night? _____
2. Are you available when subordinates come

to you with questions or for advice? _____

3. Do you meet your work deadlines? _____

4. Do you spend most of your time planning and supervising — rather than working on details? _____

5. Do you have confi-

dence in your subordinates' abilities? _____

6. Do you ask others for their ideas about problems that arise in their work? _____

7. When delegating, do you follow the "A, B, C" formula? _____

Your Score _____

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